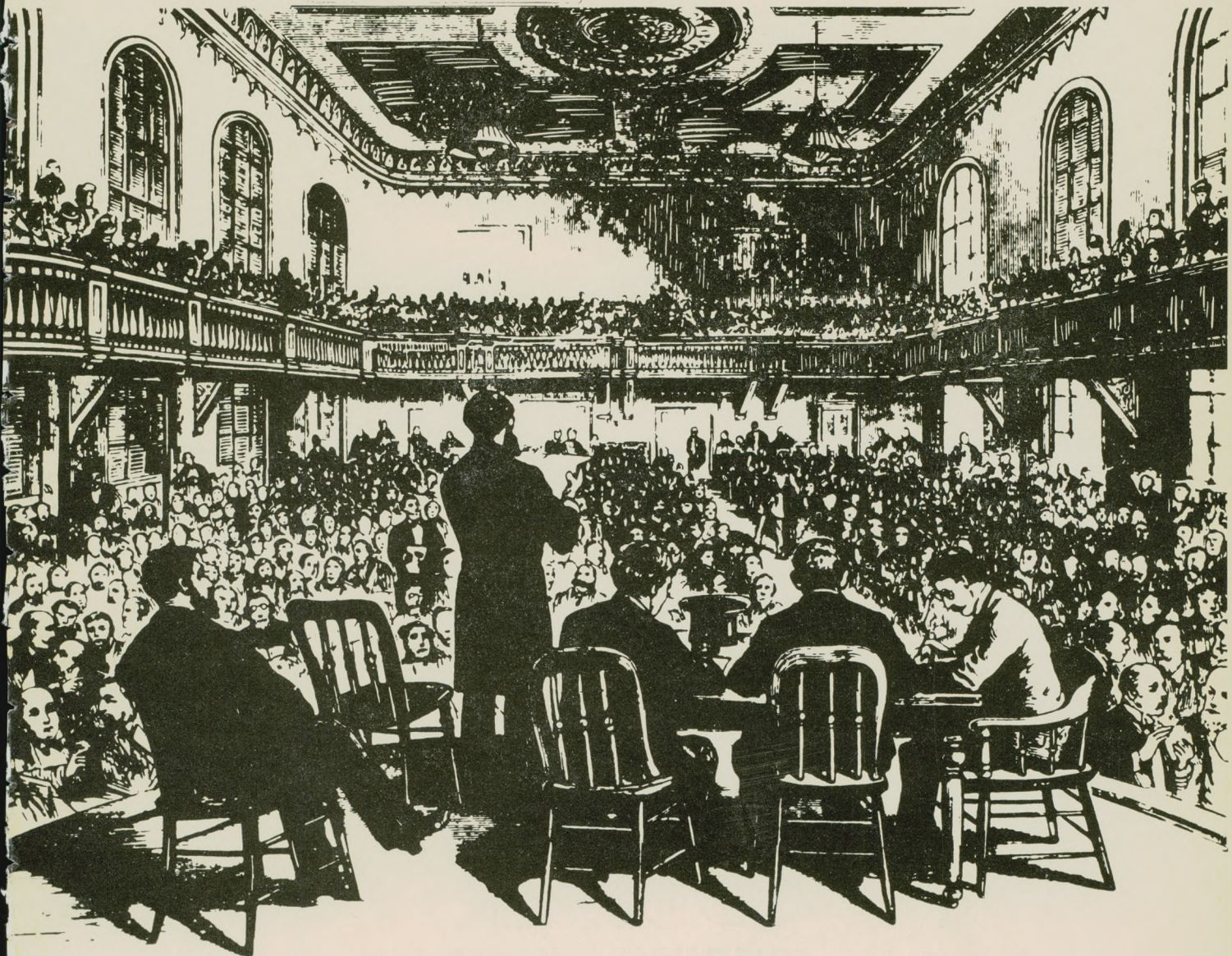


MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

SEPTEMBER, 1975

1875 - 1975



ABA'S CENTENNIAL



Interdependence and Industrial Development




Liberty's Industrial Development Division is committed to helping Oklahoma and the Southwest maintain continuous growth in our economy. Our approach is to encourage business firms of all sizes to locate in Oklahoma.

Our files contain complete industrial and demographic information on every state community with industrial development potential. And, possibly we have already represented your community on a confidential basis because company criteria demanded it. As Oklahoma grows

and prospers, we all grow and prosper.

We'd like to help you with any Industrial Development opportunities you might have. We maintain almost daily contact with State and Federal Agencies on the intricacies of financing new industry. And, by working with these agencies can save our Correspondent Banks time and effort in finding Industrial Development funds.

So, if you've got industrial development opportunities, call the Correspondent Department to get us started working for you . . . too.



at your
LIBERTY
THE BANK OF MID-AMERICA

The Liberty National Bank & Trust Company P. O. Box 25848 Oklahoma City, 73125 Phone 405/231-6164 Member FDIC

MID-CONTINENT BANKER is published 13 times annually (two issues in May) at 408 Olive, St. Louis, Mo. 63102. September, Vol. 71, No. 10. Second-Class postage paid at Fulton, Mo. Subscription: \$8.



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.

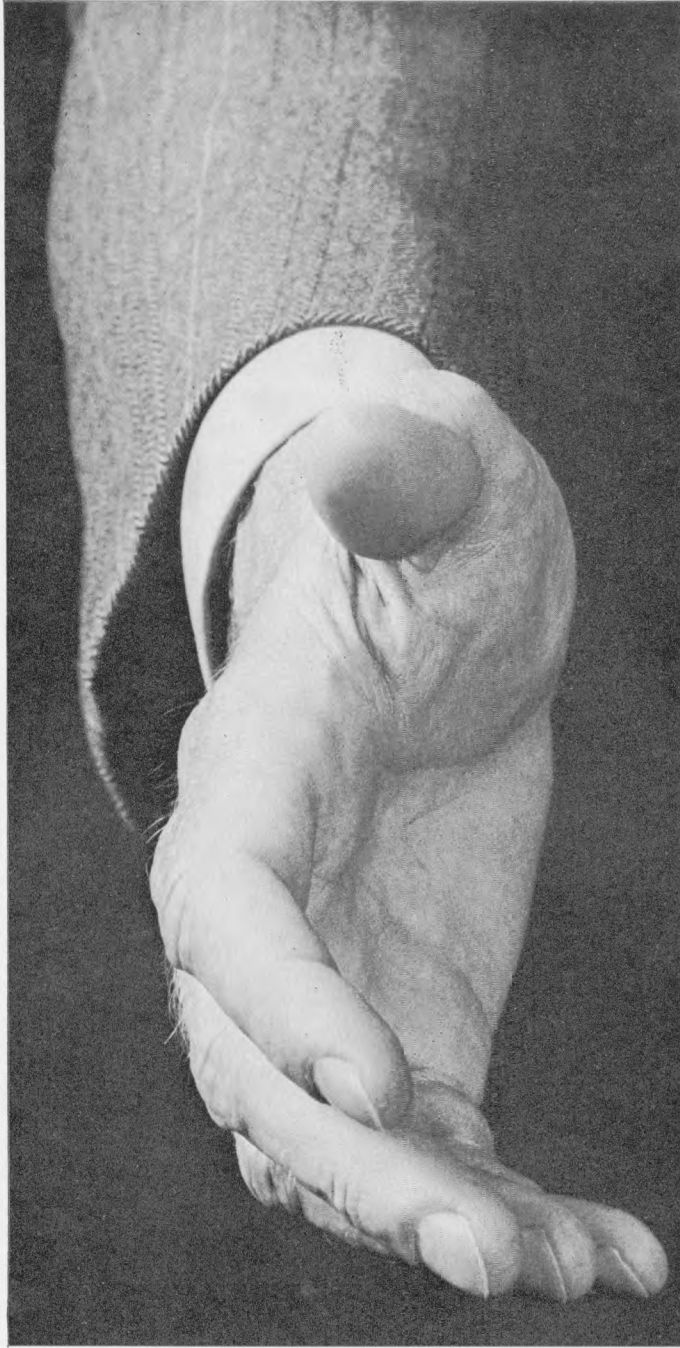
Our aim is to promote banking throughout the Gulf South, if we wake up a few sleeping giants in the process, we'll all benefit from the competition. Because only through an active, vitalized banking system will our region grow and prosper. If you're looking for our type of correspondent, you'll find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



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FIRST NATIONAL BANK OF COMMERCE

NEW ORLEANS



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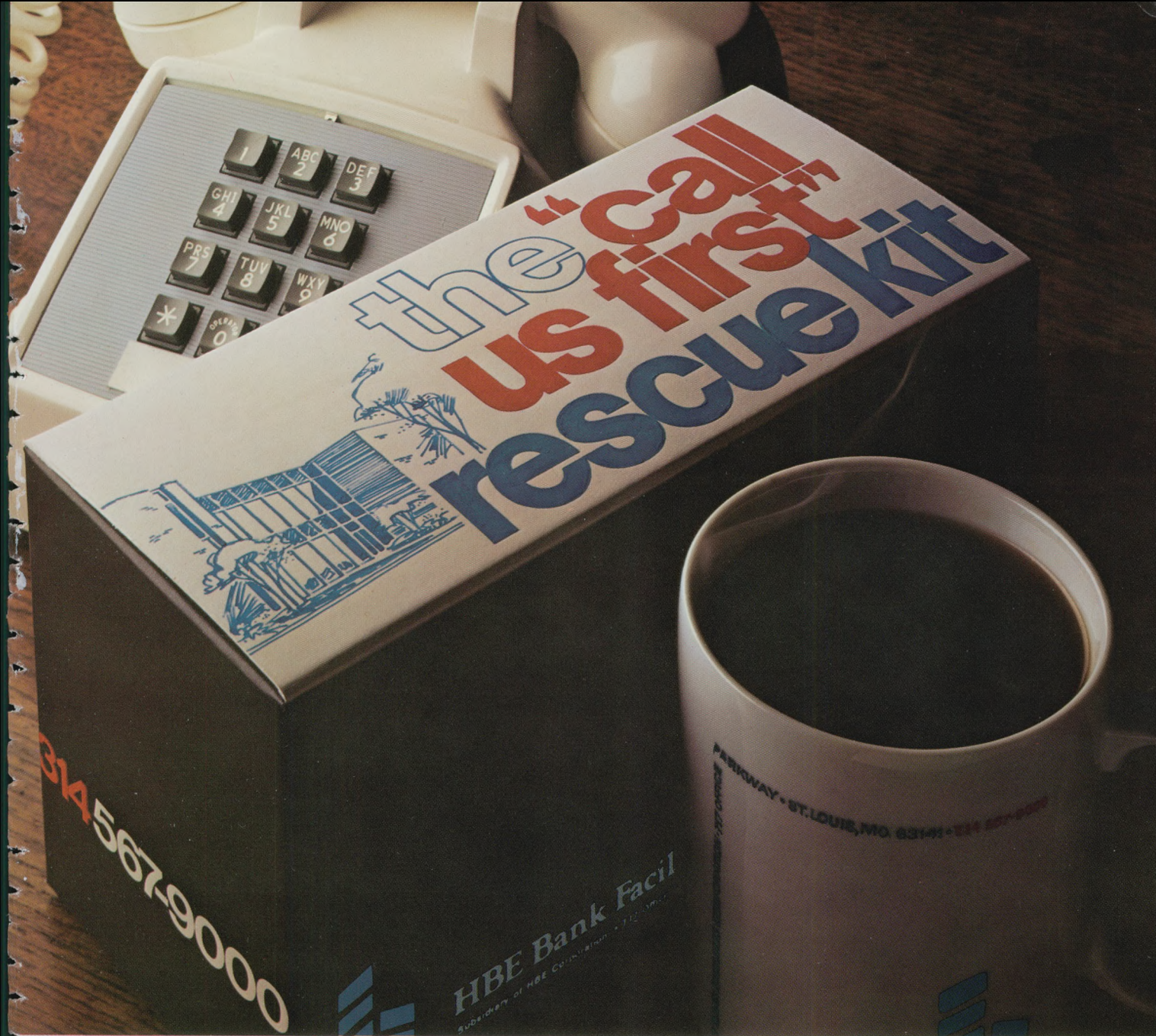
- Loan Participations
- Demand Deposit Accounting
- Bond Portfolio Analysis
- Federal Funds
- Savings Account Accounting
- Automated Accounting for CD's

So if you have a financial problem, big or little, . . . don't hesitate to call for help. Contact Earl Lassere, Vice President and Manager, Correspondent Bank Department at (713) 225-1551.



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For more information contact James Talcott, Inc.,
Business Finance Division, 230 West Monroe St.,
Chicago, Illinois 60606. (312) 782-9044. Or 2222 Republic
National Bank Tower, Dallas, Texas 65201 (214) 742-2546.

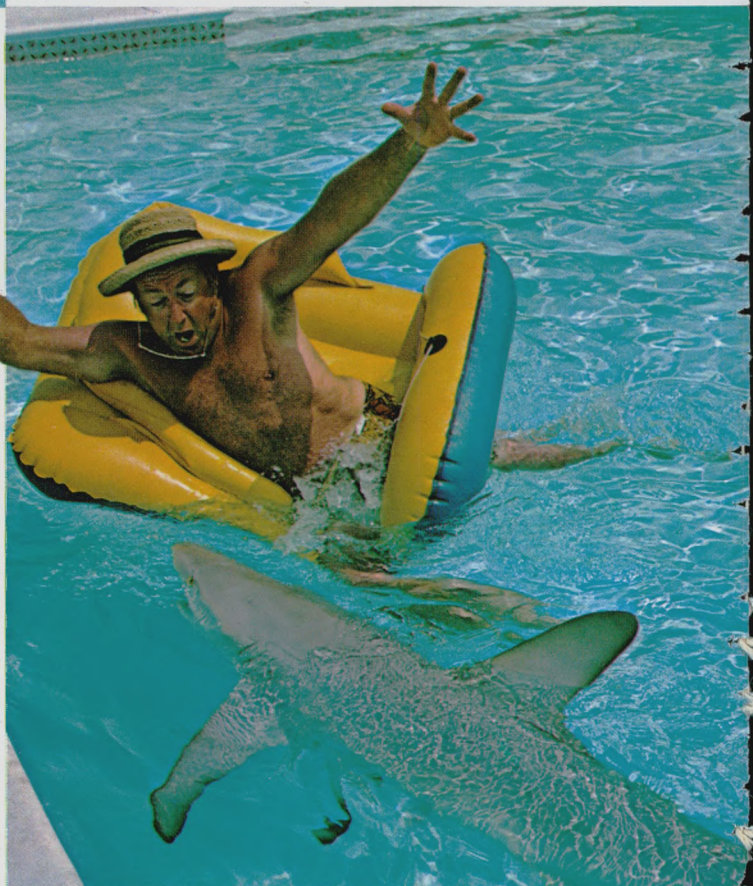
Tell him to call Talcott.

He's soaking up that sun while it lasts. Your client sure is having fun basking in the glow of success while his orders simply flow in.

But, he knows if he dozes off, his hungry competitors lurking below are waiting for their chance.

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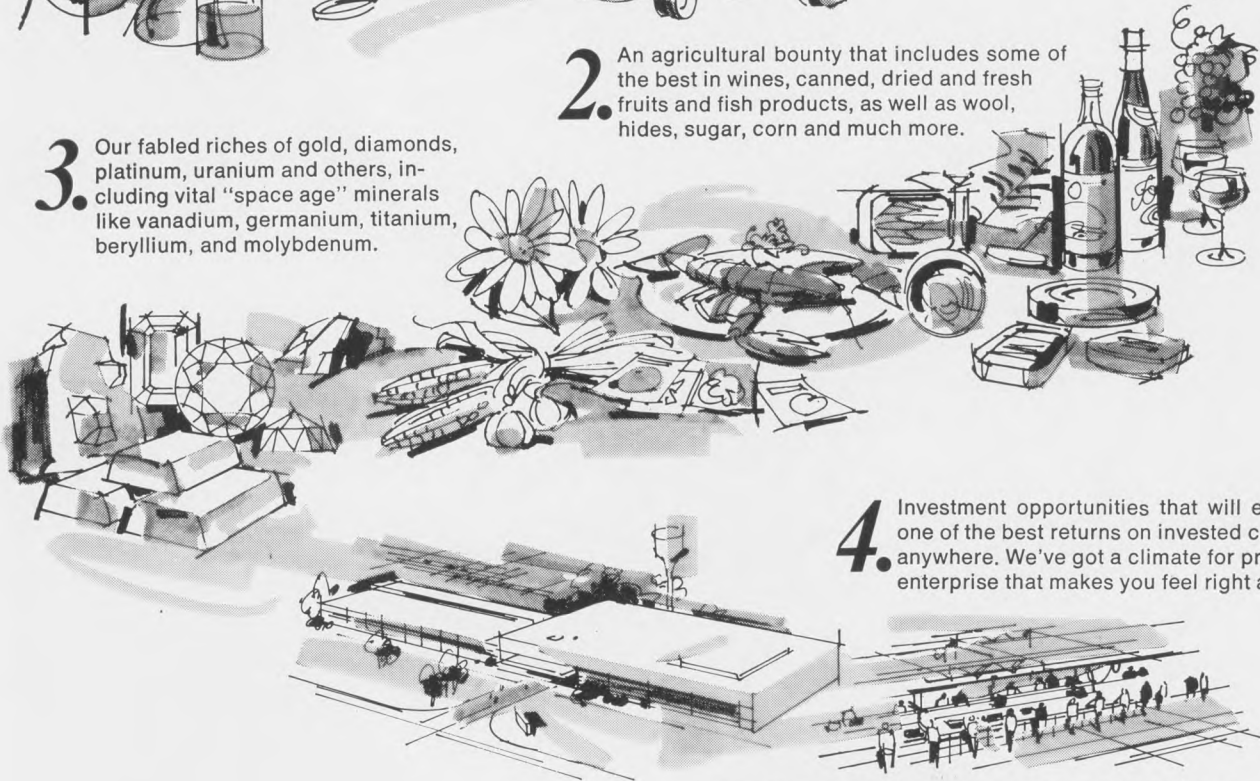
Maybe you've been buying or investing abroad but getting less than you bargained for. We'll restore your faith. Maybe you've never given any thought at all to foreign products or investment possibilities. We'll give you an idea what you've been missing in South Africa. It's not just what you do, it's where you do it. So, the next time, or for the first time, think South Africa. It's better for your business. Four ways.

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For investment information contact:
The Minister (Economic), South African Embassy
3051 Massachusetts Avenue, N.W., Washington, D.C. 20008

Packaged Services: One Way to Go buying from a supplier

T. Frank Wallace
Senior Vice President
Exchange Bank
& Trust Company
Dallas, Texas

In 1973, the concept of packaged bank services really began to catch on across the country. Everybody wanted to get into the act and our bank was no exception.

Over the previous two years, the number of our individual checking accounts had been slowly eroding after a 3-2-1 service charge was introduced and a number of small balance accounts were closed. It was obvious that something had to be done to stop this trend and the packaged services concept seemed to be what we needed to stimulate business.

We contacted banks that already had instituted service packages and studied the findings of a national research firm on the programs. After many discussions with other banks, and a thorough evaluation of the research report, we were convinced that the concept would benefit our bank.

Our package had to be designed to accomplish two objectives: Stop the run-off of individual checking accounts and increase our service charge income. While we had experienced a drop in the number of accounts, the average size had been increasing, thus reducing our income from individual account service charges.

RESEARCH

SHOWED THE WAY

Again, we referred to the results of the research company's survey on packaged services. Income level had surprisingly little relationship to appeal of a package although that appeal was slightly stronger in the \$10,000 to \$15,000 range. The most powerful determinant of appeal was a person's age.

Among heads of households in the 18-34 group, over 85 percent responded favorably to the package concept. Of the various services offered, free checking drew the most favor, overdraft protection ranked second and the free major bank credit card was rated as the least attractive of the components offered.

With these things in mind, we determined that a "shopping list" of services would be confusing and would, in fact, detract from the saleability of the product. Just to be able to say we had more services

"We wanted each element of our package to have very real economic benefits to the user."

than the next guy wasn't enough. We wanted each element of our package to have very real economic benefits to the user.

Our program included the obvious items: Free safe deposit boxes, traveler's checks, cashier's checks and a discount on rates on installment loans of \$1,000 or more. Although an automatic overdraft feature was included in one package introduced in the Dallas market, we were not able to incorporate it in ours since we were not in the credit card business and we did not have time to develop a new computer program.

PURCHASED OUTSIDE

While overdraft protection has customer appeal, it does require credit application and approval, thus complicating the job of selling and opening a packaged service account. Consequently, we had to look for other components that would be equally attractive and beneficial to our customers.

Our need for saleable services was fulfilled when a representative of Financial Institution Services, Inc. in Nashville, TN, called on us.

We learned that FIS was the insurance administrator for that phase of BanClub. BanClub, it was explained, was a franchised package of services that provided accidental death insurance coverage to account holders, plus discounts through nationally known motel and auto rental companies, and special travel packages by the original travel agency, Cook's Tours.

BEFORE THE GOLD ACCOUNT

In addition to the services provided, BanClub also was an established organization. It was founded in 1971, before the Wells Fargo Gold Account was introduced, and had bank sponsor members and bank customer members all over the country.

We introduced our package of services, called the TAB/Pacesetter Account, in April, 1974. At the close of May of the same year, we showed a net increase of individual demand deposit accounts for the first time since May, 1971. Even today, roughly one year after the introduction of the TAB/Pacesetter Account, we are still seeing an increase in individual accounts each time we renew our promotional efforts for the package.

The growth of BanClub itself has played an important part in the continued acceptance of our program. An important feature is the referral business we get when BanClub Account holders move into our area. This service is free of charge and is administered on a national basis by BanClub.

Today, BanClub has more than 700 bank sponsor members from Connecticut to California, and over 750,000 bank customer members. Because of its wide spread acceptance, BanClub continues to expand its program of discounts and travel tours. Members are kept informed of the ever growing list of services via a BanClub Newsletter that is mailed to members at regular intervals.

It is our belief that our Packaged Account is materially strengthened by our association with BanClub and the 700 other participating banks. The economies of scale are obvious in staging travel promotions and obtaining discounts from retailers. Additionally, the help we get from the FIS staff is professional and readily available.

We'll be looking for you at our exhibit: A.B.A. BOOTH #108-109
B.M.A. BOOTH #314-315

For additional information write or call:

FINANCIAL INSTITUTION SERVICES INC.

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Since past performance is particularly relevant in projecting future performance, the BankRoll information and your analysis of it can help you identify risk situations before they come full bloom. But it can also do much more. Like helping you to measure the performance of your bank against others of the same size. Or banks that are bigger or smaller than yours. It can assist you in determining whether you should advance credit to another institution. And whether a particular bank may be a customer for one or more of your services. In fact, there are so many ways you can use BankRoll, we don't have enough room to tell you about them.

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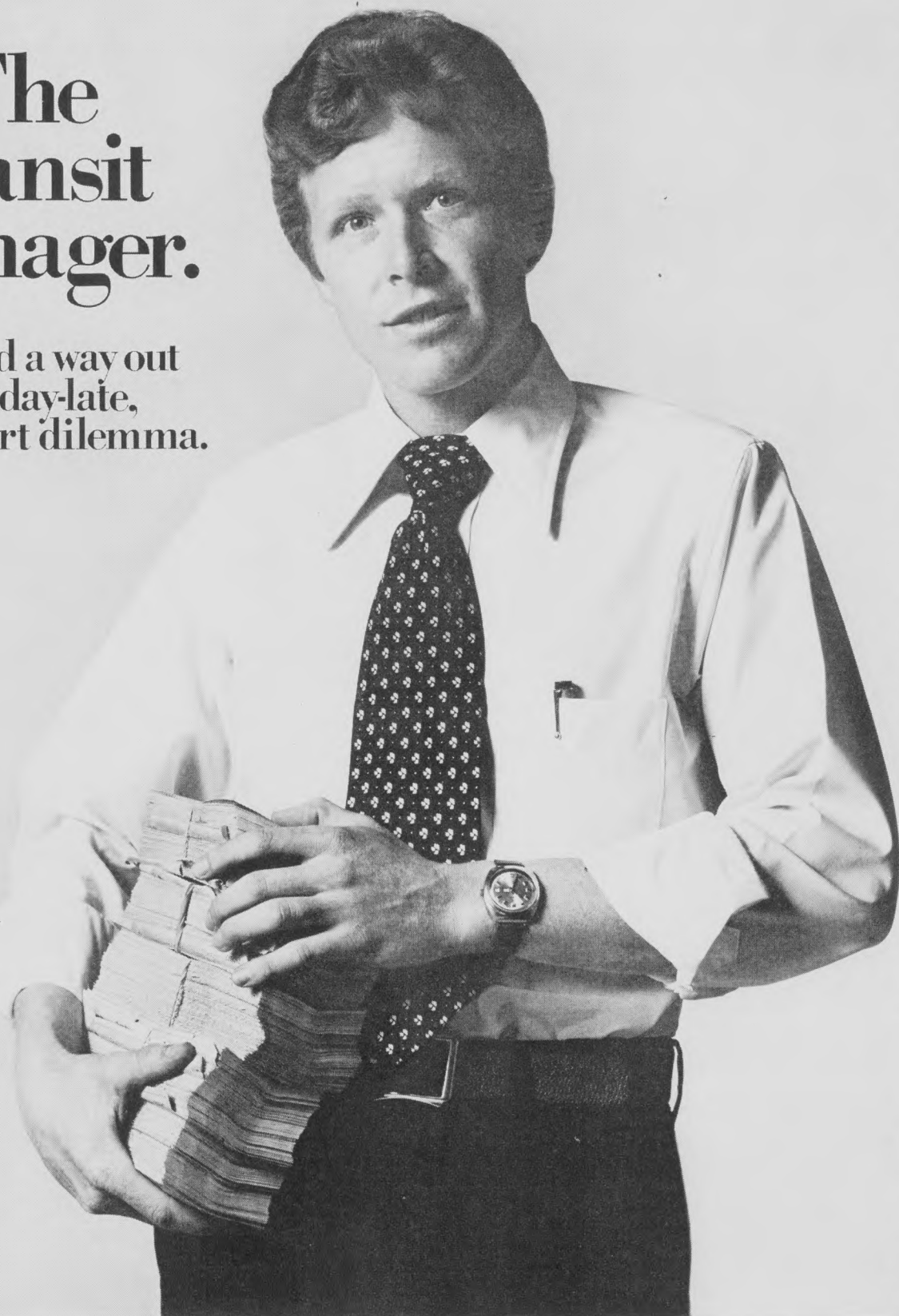
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Convention Calendar

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

September

- Sept. 14-18: Consumer Bankers Association Annual Convention, Colorado Springs, Colo., Broadmoor Hotel.
- Sept. 14-19: ABA National Personnel School, Dallas, Dallas Marriott.
- Sept. 14-19: Oklahoma Bankers Association Agricultural Lending School, Stillwater, Oklahoma State University.
- Sept. 17-18: Illinois Bankers Association Agricultural Credit Conference, Champaign, Ramada Inn.
- Sept. 17-19: Texas Bankers Association Installment Credit Section Convention, Houston.
- Sept. 18: ABA Governing Council Meeting, Washington, D. C., Washington Hilton.
- Sept. 20-22: AIB Executive Council Meeting, Washington, D. C., AIB Headquarters.
- Sept. 21-24: ABA Supervisory Training Workshop, Chicago, Continental Plaza.
- Sept. 21-24: ABA Bank Card Division Annual Convention, Bal Harbour, Fla., Americana Hotel.
- Sept. 25-26: ABA Operations/Automation Division Southern Regional Workshop, New Orleans, Royal Sonesta Hotel.
- Sept. 28-Oct. 1: Bank Marketing Association Annual Convention, Las Vegas, Hilton Hotel.

October

- Oct. 4-8: ABA Annual Convention, New York City.
- Oct. 8: ABA Governing Council Meeting, New York City.
- Oct. 12-15: National Association of Bank-Women Convention, Honolulu, Sheraton Waikiki Hotel.
- Oct. 12-15: Foundation of the Southwestern Graduate School of Banking Conference on Planning and Execution of Policy, Osage Beach, Mo., Tan-Tar-A Resort & Golf Club.
- Oct. 19-20: Kentucky Bankers Association Trust Conference, Louisville, Stouffer's Louisville Inn.
- Oct. 19-22: ABA Bank Trainer's Workshop, Atlanta, Sonesta Hotel.
- Oct. 19-23: Independent Bankers Association of America Seminar for Younger Bank Officers, Muncie, Ind., Ball State University.
- Oct. 20-22: ABA Bank Investments Regional Workshop, Louisville, Galt House.
- Oct. 23-24: Missouri Bankers Association Trust Conference, Osage Beach, Tan-Tar-A Resort & Golf Club.
- Oct. 26-29: Bank Administration Institute Convention, Atlanta, Marriott Motor Hotel.
- Oct. 26-29: Bank Marketing Association Trust Marketing Workshop, San Francisco, San Francisco Hilton.
- Oct. 26-31: ABA National Commercial Lending Graduate School, Norman, Okla., University of Oklahoma.
- Oct. 26-31: Kansas, Missouri and Nebraska Bankers Associations' Intermediate School of Banking, Lincoln, Neb., University of Nebraska.

November

- Nov. 2-5: Robert Morris Associates Annual Fall Conference, San Francisco, Fairmont Hotel.
- Nov. 2-7: Kansas, Missouri and Nebraska Bankers Associations' Advanced School of Banking, Lincoln, Neb., University of Nebraska.
- Nov. 5-6: Missouri Bankers Association Consumer Finance Conference, Osage Beach, Tan-Tar-A Resort & Golf Club.
- Nov. 5-6: Illinois Bankers Association Bank Management Conference, Champaign, Ramada Inn.
- Nov. 5-8: Assembly for Bank Directors, Phoenix, Arizona Biltmore.
- Nov. 9-11: Bank Marketing Association EFTS Conference, Chicago, Hyatt Regency Hotel.
- Nov. 9-12: ABA National Correspondent Banking Conference, Los Angeles, Century Plaza.
- Nov. 9-12: ABA National Personnel Conference, New Orleans, Marriott Hotel.
- Nov. 10-12: ABA Bank Risk and Insurance Seminar, Pomona, Calif., Kellogg West Center for Continuing Education, California State Polytechnic University.
- Nov. 10-20: ABA National Commercial Lending School, Norman, Okla., University of Oklahoma.
- Nov. 16-18: Association of Registered Bank Holding Companies Fall Meeting, Palm Beach, Fla., the Breakers.

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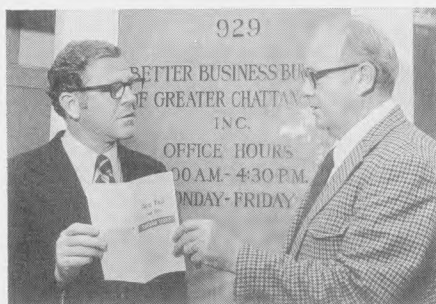
Help for 'Suckers':

Bank, BBB Publish Book; Explains Popular 'Cons'

Are you on the sucker list? If you are, Chattanooga's American National and the local Better Business Bureau have published and distributed a booklet that may help.

Entitled "Are You on the Sucker List?" the pamphlet's aim is to give warning clues and directions to area citizens when strangers, posing as government officials or financial investment officers, attempt to borrow one's money in possible confidence schemes.

The idea for the booklet came about as a result of many incidents in Chattanooga where older citizens gave money to impostors, to later find they had been tricked. The pamphlets were available at all bank offices.



Dave Edmondson (l.), mktg.-sales mgr., retail div., American Nat'l, Chattanooga, and Eric Lund, mgr., Chattanooga Area Better Business Bureau, peruse booklet, published and distributed by bank and BBB, "Are You on the Sucker List?."

Be Alert!:

California Poster Campaign Warns of 'Con' Techniques

Bank of America, San Francisco, in conjunction with the state attorney general's office, has produced warning posters to alert senior citizens to "pigeon drop" and "bank examiner" confidence activities.

A bank spokesman says over 6,000 of the posters have been circulated to senior citizen community centers and organizations throughout the state.

In the pigeon drop "con," reportedly one of the most prevalent confidence games, the purpose of the criminal is to induce a susceptible person—usually an elderly woman—to withdraw cash from a bank account for the purpose of sharing "found money." When the victim's money is obtained, the confidence team vanishes.

The bank examiner "con" is a spinoff of the pigeon drop. The victim is contacted by someone posing as a bank examiner who asks for money to be

Community Involvement

used as "evidence" in the investigation of a supposedly crooked teller.

The warning posters urge citizens to consult a bank officer or local police if approached by a stranger and asked to withdraw money for suspicious reasons.

In a related development, Bank of America has shown the film, "On Guard," in many of its community offices. The movie explains the two confidence games and is part of a series of seminars to introduce the government's social security direct deposit program.

Area Premiere:

Art of World's Children Is Bank's Display Theme

An art exhibit never before shown in the area has been displayed at Detroit Bank. Entitled "Children's Art From Around the World," the showing was assembled from works of 11-year-olds who have participated in the Children's International Summer Village (CISV), a summer camp with worldwide locations, purpose of which is to foster international understanding.

The exhibit, which includes paintings, sculpture, drawings and crafts, was assembled by CISV in conjunction with the National Geographic Society and was shown in its Explorers Hall in Washington, D. C., last January and February. Other portions of the exhibit, not shown at Detroit Bank, are touring the country.

Hello, Neighbor:

'New Friend at the First' Welcomes People to Area

A welcome to the South Bend, Ind., area is what First Bank offers new residents under its "New Friend at the First" community service program.

Designed to help people moving into the Michigan-Indiana area get acquainted with and established in the community, the program also provides local businesses with a source of information needed by prospective employers.

Offered without obligation, a packet is furnished containing a booklet with information about schools, utilities, taxes, voting requirements, licensing and the recreational, cultural and social organizations around South Bend.

\$100,000 Limousine:

Bank Boosts City Transit: Offers Free Bus Rides

First National, Denver, recently gave a boost to the metropolitan Rapid Transit District (RTD), not to mention the ecology. It offered free one-way rides to its customers.

Joining in a city-wide promotion of expanded RTD public transportation services, First National placed fishbowls filled with pennies throughout its lobby and in the bank's new Convenience Banking Corner. Customers could then take five cents, enough for a special one-way fare on any RTD bus in the metro area. Hundreds of people were said to have taken advantage of the free ride.

Self Management:

Senior Citizens' Solvency Is Aim of Bank Series

American National, Chattanooga, in conjunction with a local group, the Senior Neighbors, has sponsored a month-long series of talks aimed at helping older residents with organization of their financial affairs and other related topics.

Dannye Sue Brown, customer services officer, Home Office, spoke on "Decisions to Be Made When Left Alone," which concerned organization of financial affairs, keeping records and where to get help. Iva Roark, credit card officer, Master Charge department, discussed "Staying Solvent in 1975," which detailed credit management and steps to follow to stay in the black, and Jack Huguelet, vice president and trust marketing officer, explained "Wills and Trusts," featuring the importance of an updated will, what documents and papers to keep and where and why.



Pictured (from l.) are Nancy Hale, program dir., Senior Neighbors, Chattanooga; and employees of American Nat'l, Chattanooga, Jack Huguelet, v.p. & tr. mktg. off.; Iva Roark, credit card off., Master Charge dept.; and Dannye Sue Brown, customer services off., Home Office. They were assembled to discuss program on financial management cosponsored by bank and Senior Neighbors.



Next time you call Paul or Gene, you'll know what they look like.

Behind every correspondent banker at First National Bank of Kansas City, Missouri, there's a team of specialists back at the bank. Specialists like Paul Gregory in Operations and Gene Wisner in International.

If you do your correspondent banking with First National, you've probably known their voices for some time. Because we encourage our correspondent banks to call the

"people back at the bank" direct, anytime.

Let's say you have a check or draft collection problem. You telephone your correspondent banker at First National and learn that he's out.

Your need can't wait.

So you ask for Paul Gregory. Paul can handle the coordination of your collections and assist you in

obtaining available funds as quickly as possible.

Sound simple enough? It is.

That's why we welcome your calling our FNB specialists direct. Because we want you to trust them as much as we do.

So telephone (816) 221-2800 and ask for Paul or Gene. Maybe someday they'll find out what you look like, too. Member FDIC.

FIRST NATIONAL BANK
of Kansas City, Missouri

An Affiliate of First National Charter Corporation

The Banking Scene

By Dr. Lewis E. Davids

Hill Professor of Bank Management,
University of Missouri, Columbia

State-Owned Banks An Unworkable Idea

LEGISLATORS in New York, Colorado, Massachusetts, Illinois and Washington presently are considering the establishment of state-owned banks. For believers in the free-enterprise system, there is the natural impulse to dictate a letter to one's state senator or representative, condemning it as the height of government's abuse of power.

Those who feel that government can do a better job in commercial banking than is done by the private sector are mistaken.

Many people, like the Arab, feel that permitting the camel to stick his nose in the tent would result in the camel soon moving its entire body in, evicting the Arab: Once the government starts in the business of banking, it would be only a step before the beginning of nationalization of privately owned commercial banks.

George Santayana, the philosopher, once said, "Those who cannot remember the past are condemned to repeat it." Let's look to the past and see just how government-owned or government-established banks have performed in the United States.

Both the First and Second banks of the U. S. had their charters terminated, occurrences due mostly to political interventions in which those banks' administrators engaged. Some historians hold that the First Bank was viable and thus, in the sense that it was a monopoly, was successful as a banking operation. Even with the monopolistic position it had, it should have been financially successful, considering the value of its government account plus the tremendous growth potential that our nation had in its infancy.

The Second Bank, under its president, Nicholas Biddle, was involved in a power struggle when U. S. President Andrew Jackson, supported by U. S. Treasury Secretary Louis McLane, attempted to remove government deposits from the bank. Biddle and Jack-

son continually attempted to embarrass each other.

In *Financial Development of the United States*, by Schultz and Caine, the ensuing situation is described: "... if the creation of an admonitory national depression was in Biddle's mind, he certainly achieved his purpose. By November, 1833, the scarcity of currency became pronounced. A wave of failure swept Philadelphia, New York and Washington, where the contraction was the mildest in June, 1834. Discounts could be had at 18%-36% interest, the notes of paying banks fell to discounts ranging from 1½% in New England to 12% in Alabama. Depreciation on notes on doubtful banks was

"Those who feel that government can do a better job in commercial banking than is done by the private sector are mistaken."

much greater; by May, financial distress was extreme. Biddle accomplished his national deflation, but the political reaction was contrary to his expectations. Instead of gaining support for the preservation of the bank, it alienated the last friends that the bank possessed. Even Pennsylvania, where formerly the bank had found its first support, now turned against it. Biddle's display of power terrified the country and gave substance to Jackson's wildest charges. No private institution should be allowed such life-and-death control over the country's finances. After the spring of 1834, the charter of the Second Bank was no longer considered in any quarter."

We know that at least eight western and southern states made direct subscriptions to the stock of local banks during the 1830s and that those banks frequently extended financial aid to

new institutions on a long-term basis. Schultz and Caine note that many of those new banks found themselves handicapped by a lack of cash reserves because a large proportion of their stock subscriptions was made in the form of mortgages on the subscribers' properties, which supplied the funds needed for banks.

They issued their own bonds to the newly formed banks, which were sold to raise initial capital. Subscription mortgages were turned over to the state and became securities for state loans to banks.

Indiana, as an example, besides subscribing to one-half of its state's banking system, financed five-eighths of the private subscription to institutions by extending credit to subscribers.

By 1842, most of the state-owned or partially state-owned banks had disappeared in America. Symptoms of the failed state-owned institutions were that they were unable to redeem their own notes of issue and had tied up their bond portfolios in nonliquid mortgages on farm properties, but for the most part, political "expediency" was the root cause.

The 1822 failure of the fairly well-run Bank of Missouri resulted in a special committee being appointed by the state legislature to examine the reasons for its failure, and it reported that the bankruptcy wasn't attributable to any active dishonesty on the part of the bank's directors. The president of the broken bank, Mr. Riddick, gave two reasons for its insolvency: "... the present embarrassment is entirely owing to the relationship in which this country (Missouri) stands with her sister states who have suspended their banking on a specie capital."

Mr. Riddick also blamed the Missouri legislature for passing a law redefining the status of debtors in a way that they no longer feared the consequences of a lawsuit. The record of

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some of the other state banks is even more depressing, since political decisions outweighed prudent banking practices.

At the risk of overgeneralization, here are some of my basic conclusions about failures of state-owned banks. One is that their method of raising capital tended to be of an unreal nature, that is, by issuing pieces of paper rather than having full faith-and-credit pledges of the sovereign or collateral of tangible worth.

The other basic fault was the political intervention in the selection of those who would administer the state-owned bank. This put the appointees under considerable pressure to accommodate the wishes of the politicians, often causing them to lend, beyond the institution's resources, to privileged individuals at below normal interest rates. That was compounded by the tendency of legislatures to make it difficult for the bank to collect on the notes.

Only one state-owned bank presently exists, the Bank of North Dakota. According to the *American Bank Directory*, it was established in 1919 and is neither a Fed nor FDIC member.

Ralph Nader recently testified before the New York State Assembly Committee on Banks that the Bank of North

Dakota is highly successful. I won't attempt to question his opinion here; however, knowledgeable bankers may surmise his meaning of the word "successful" by comparing the bank's listed U. S. government holdings and the composition of its modest proportion of loans and discounts with its deposit structure. Further, readers may recall hearing adverse news of a political nature involving the bank several years ago.

Undoubtedly, bankers will be called on in the months ahead to testify about the desirability of a state-owned bank being established to underwrite loans to local governments, offer mortgages to individuals in outlying areas and finance small businesses.

I submit that this is one of those "damned if one does and damned if one doesn't" situations. A banker opposing such a financial institution appears to be assuming a self-serving position. To report to a political body that almost all state banks have been unsuccessful will not sway legislators who have interest in the area.

Let us stop for a moment and think: Should an institution of this type be established? It is charged with making the kind of loans most bankers have found to be unbankable.

To play the devil's advocate, one

could note that having a state-owned institution to make those unbankable loans might take a great deal of pressure off the private sector of banking, but more than that, the nature of a government bank being operated in an imprudent way will become evident in the market. Thus, it would be pragmatic for bankers not to oppose the establishment of such an institution in their state.

Bankers should insist that the prospectus for the institution qualify under the Securities Exchange Act in providing full disclosure of its proposal's range and of its scope of operations.

The necessity for proponents of a state-owned bank to document such items as pro forma balance sheets and the other data normally required of a prospectus, including a cost-to-benefit analysis, will force advocates to go on record concerning their philosophy and intent.

Charitable organizations may find that a state-owned bank might meet their needs for a brief time, but it's doubtful if reasonably prudent individuals, provided with such continuing operational information as loan delinquencies, will support continuation of an institution that can't be viable if it attempts to operate in the market suggested by its supporters. • •

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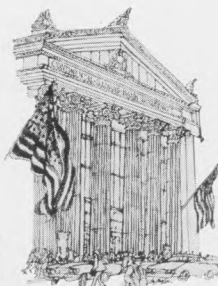
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New Customer Services

'Town Elders' Club' Designed To Aid Those Over 60

Central Bancshares of the South, Inc., Birmingham, has introduced a new service in its member banks to aid those over 60. Called the "Town Elders' Club," the program is a package of free services.

The package initially will include free guaranteed direct deposit of social security checks, free travelers checks, no-cost will review and filing by the HC's trust department, discounts on rental fees for available safe deposit boxes and free checking accounts and checks.

An HC official stated that the Town Elders' Club would be a dynamic and ever-improving service, because members would participate in planning for additions to the package.

Same-Day Draft Service Announced by Chase

Chase Manhattan Bank, New York, has announced introduction of a new high-speed draft collection service that could make same-day collection possible.

Developed by the bank's institutional banking department, the new service speeds collection through a specially designed 25-city network of banks, eliminating instructions between institutions through courier service.

Drafts received from outside New York City by 4 p.m. reportedly can be collected as early as the following day, with funds available no later than the day after that. Bank officials say New York City drafts received by 10 a.m. will be collected the same day.

As an introductory offer, Chase is making out-of-town service available at no charge for a 30-day trial period.

Automated Trust Service Offered By Three Banks in Indiana

Three banks in Indiana, National Bank, South Bend; Lafayette National and Old National, Evansville, have installed "Trust-Aid," a fully automated trust management and accounting service.

"Trust-Aid" is available nationwide through SEI Corp., Wayne, Pa.

Reportedly the first on-line computer service designed for trust management

accounting, the program makes information instantly available to department officers and customers.

Providing all accounting and reporting functions for overall trust department operations and individual trust accounts, "Trust-Aid" calculates, posts, summarizes and analyzes on demand and produces checks, account reviews, statements and management reports in seconds.

Trust account records are stored in the memory bank of the system and can be retrieved through the typewriter-like terminal in a bank's trust department. It has unlimited capacity, enabling the member bank to increase trust business with no increase in personnel or overhead.

Bank's 'Dynamic '60s' Club Offered to Senior Citizens

Hampton Bank, St. Louis, in cooperation with the Mayor's Council for the Aged and various local businesses, is offering the "Dynamic '60s" service club for older citizens.

The program, in addition to providing many bank services, offers the opportunity to see entertainment at reasonable cost and for people of that age group to socialize at various functions. No initiation fee or dues are required. Some of the "Dynamic '60s" benefits are:

- Photographic I.D. and membership card, enabling no-delay check cashing (\$100 maximum) at the bank.
- Free checking.
- Two trust consultations—estate planning and administration—at no charge.
- Free notary service.
- Two years' safe deposit box use for the price of one.
- Monthly investment service.
- Free financial counseling in social security, medicare, etc.
- Free bus transportation to entertainment outings that are offered at reduced prices.
- Income tax preparation free or at a reduced price, plus free year-around information about taxes.
- Club newsletter.
- Automatic social security check deposit with guaranteed use of the money the day it's due.

New Option to Checking Accounts

Detroit Bank has added a new option to its "no charge" checking service. Customers with any savings account of \$500 or more may write checks free.

Called "Check III Plus," the program has been added to the previous options of maintaining a monthly checking account balance of at least \$175 or an average of \$500 monthly.



Save Yore Money!!

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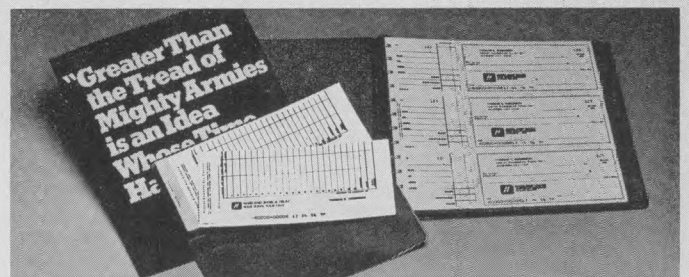
Running a bank these days is expensive. We know, we deal with banks every day, all over the country. That's why we developed the Duo, a great, simple way to save money on an existing service. Here's how it works:

For every three-to-the-page business check order, Harland will automatically produce two books of commercial deposit tickets. Although produced and shipped separately, the cost of the tickets is added to the price of the checks on the customer's debit ticket total, thus passing on to the customer an expense usually incurred by the bank. It saves the bank time (no separate order form is required) and money (the customer pays for the deposit

tickets, not the bank), and that's reason enough to start the Duo program at your bank.

If you would like more details on this new money-saving offer, write for the Duo brochure. Or talk to your Harland representative.

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MGIC's "Fact Book" indicates that \$418 billion in total mortgage debt was outstanding at year-end 1974. About \$155 billion of that amount, or 37.1%, was insured either by government or private mortgage insurance.

According to MGIC, the percentage of insured mortgage debt hasn't changed in the past 15 years. In 1960, 40.1% of the outstanding one-to-four family mortgage debt was insured, mostly under the federal government's FHA/VA programs. MGIC says the lowest figure since that time was 35.7% in 1966.

The "Fact Book" shows a rising volume of mortgage debt carrying private mortgage insurance and a corresponding decrease in FHA/VA insurance since 1960. That year, less than 1% of insured loans were privately insured, a figure that rose to 21% by 1974. The number of privately insured loans is expected to continue to grow, MGIC states.

For further information, contact MGIC, MGIC Plaza, Milwaukee, WI 53201.

• **Continental Mortgage Insurance, Inc.** A new program providing special mortgage insurance coverage for lenders participating in government mortgage loan programs has been introduced by this firm, which is a subsidiary of CMI Investment Corp. The program is called "Letter Perfect Protection" and it enables lenders planning to sell mortgages to government agencies to obtain insurance coverage tailored to the requirements of the agencies at reduced premiums. The firm has developed a single-page application form on which all rates and coverages are detailed in chart form.

Write: CMI Investment Corp., 2 East Gilman Street, Madison, WI 53701.

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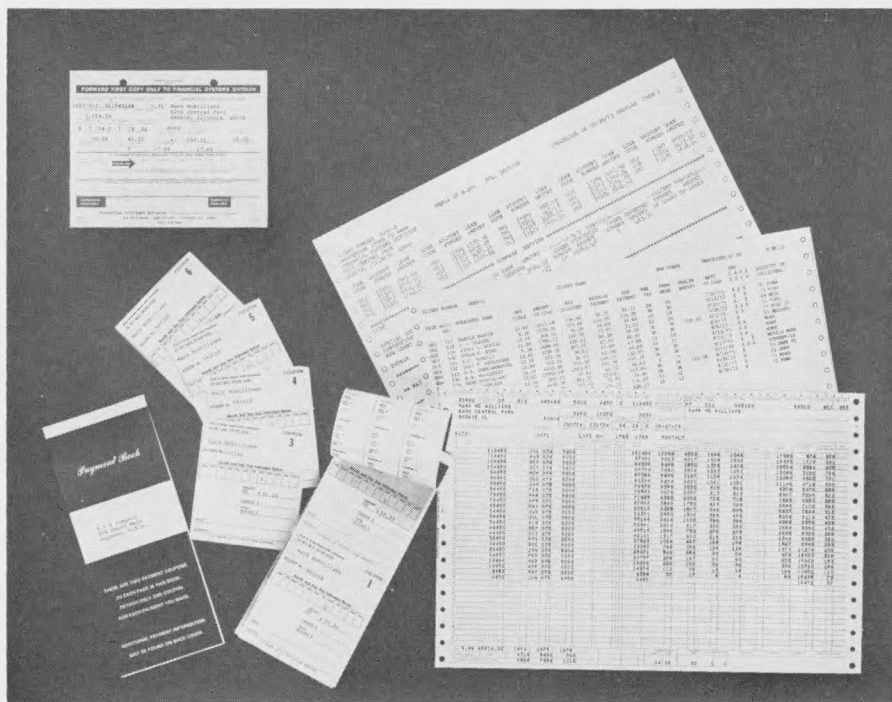
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The financial systems division of Rand McNally & Co. has announced a new loan service directed to the small- to medium-sized financial institution. The service, according to the firm, can provide a bank's loan department with an up-to-date accounting system that includes a precomputed ledger, computer-printed run list, computer-printed new loan list and payment book. Rand McNally pointed out that the initial loan information is submitted on a 4 x 6-inch form. These data are computer processed and the ledger and report prepared and mailed. Write: Rand McNally & Co., P.O. Box 7600, Chicago, IL 60680.

Schedule & Events

TWENTY-FOURTH ASSEMBLY FOR BANK DIRECTORS
The Sheraton-Waikiki and Royal Hawaiian
Honolulu, Hawaii
February 1-5, 1976

Eugene L. Swearingen, Director

DIRECTORS' PROGRAM

TIME	TOPIC OR ACTIVITY	SPEAKER
Sunday, February 1 3:30- 7:00 P.M. 6:30- 7:30 P.M.	Assembly Registration (Sheraton-Waikiki) Reception for Early Arrivals	
Monday, February 2 7:15- 8:15 A.M. 8:30- 8:45 A.M. 8:45- 9:15 A.M. 9:15- 9:45 A.M. 9:45-10:00 A.M. 10:00-10:30 A.M. 10:30-12:15 P.M. 12:30- 2:00 P.M. 2:30- 4:30 P.M. 6:30- 7:30 P.M. 7:30- 9:30 P.M.	Breakfast THE FOUNDATION AND THE ASSEMBLY THE FINANCIAL OUTLOOK THE LEGAL ENVIRONMENT OF THE DIRECTOR Coffee CODES FOR THE BANK—THE DIRECTOR'S ROLE Discussion Groups Luncheon and Talk—THE REGULATORY ASSIGNMENT Sightseeing & Orientation Tour: Honolulu and Waikiki Reception Luau and Hawaiian Entertainment	Eugene L. Swearingen Philip E. Coldwell Robert H. Fabian Fred M. Pickens, Jr. Frank Wille
Tuesday, February 3 7:15- 8:15 A.M. 8:30- 9:00 A.M. 9:00- 9:30 A.M. 9:30-10:00 A.M. 10:00-10:15 A.M. 10:15-10:45 A.M. 10:45-12:15 P.M. 12:30- 6:30 P.M. 6:30- 7:30 P.M. 7:30-10:30 P.M.	Breakfast CREDIT DEVELOPMENTS AND THE DIRECTOR DIRECTOR RELATIONS WITH MANAGEMENT THE BANK DIRECTOR'S ROLE IN MARKETING Coffee PLANNING AND BUDGETING—DESIGNING YOUR BANK'S FUTURE Discussion Groups Lunch and Afternoon at Leisure Hawaiian Reception (Trio) Dinner and Talk—THE DIRECTOR IN A PERIOD OF CRISIS AND CHANGE	Roy D. Hartmann Frank A. Plummer J. W. McLean Ben F. Love Kenneth A. Randall
Wednesday, February 4 7:15- 8:15 A.M. 8:30- 9:00 A.M. 9:00- 9:30 A.M. 9:30-10:15 A.M. 10:15-10:30 A.M. 10:30-11:00 A.M. 11:00-12:15 P.M. 12:30- 2:00 P.M. 2:00- 6:30 P.M. 6:30- 7:30 P.M. 7:30-10:30 P.M.	Breakfast WHAT THE DIRECTOR SHOULD EXPECT EFFECTIVE REPORTING TO DIRECTORS OFFICER EVALUATION Coffee HOW MUCH IS YOUR BANK WORTH? Discussion Groups** Luncheon and Talk—WHAT'S HAPPENING TO BANKING— A REGULATORY VIEWPOINT Afternoon at Leisure Reception Dinner and Talk—THE LEGISLATIVE CLIMATE	Robert L. Parker Philip F. Searle James L. Hayes Nat S. Rogers Lawrence E. Kreider Willis W. Alexander
Thursday, February 5 8:30- 9:30 A.M. 9:30 A.M. and thereafter	Concluding Breakfast Optional Golf or Deep Sea Fishing	

**Special Discussion Groups

A-Trust Business—Fabian, Huck, Richardson, Stocker
B-Legislation, Regulation and Policy—Alexander, Coldwell, Kreider, Randall,
Terry, Vinson, Wille

C-Planning, Marketing and Director-Management Relations—Hartmann,
Hayes, Love, McLean, Parker, Plummer, Searle, Swearingen
D-Special Problems of the Small Bank and the New Bank—Agemian,
Baughn, Conn, Denman, Duwe, Pickens, Rogers, Smith, Van Horn

Counselors

Charles A. Agemian
William H. Baughn
Jack T. Conn
James H. Denman

J. Rex Duwe
Leonard W. Huck
James H. Jones
Oran Kite

Robert W. Kneebone
DeWitt T. Ray
Will Mann Richardson
Van Smith

Edward E. Stocker
Ronald A. Terry
Charles M. Van Horn
B. Finley Vinson

SPOUSES' PROGRAM

TIME	TOPIC OR ACTIVITY	SPEAKER
Sunday, February 1 6:30- 7:30 P.M.	Reception for Early Arrivals	
Monday, February 2 9:00-10:00 A.M. 10:00-10:30 A.M. 10:30-11:30 A.M. 12:30- 2:00 P.M. 2:30- 4:30 P.M. 6:30- 7:30 P.M. 7:30- 9:30 P.M.	Breakfast and Hawaii Orientation Talk WHAT BANKING IS ABOUT TRUSTS AND YOU Luncheon and Talk—THE REGULATORY ASSIGNMENT Sightseeing & Orientation Tour: Honolulu and Waikiki Reception Luau and Hawaiian Entertainment	Leonard W. Huck Will Mann Richardson Frank Wille
Tuesday, February 3 9:00-10:00 A.M. 6:30- 7:30 P.M. 7:30-10:30 P.M.	Continental Breakfast Hawaiian Reception (Trio) Dinner and Talk—THE DIRECTOR IN A PERIOD OF CRISIS AND CHANGE	Kenneth A. Randall
Wednesday, February 4 9:00-10:00 A.M. 12:00- 2:30 P.M. 2:30- 6:30 P.M. 6:30- 7:30 P.M. 7:30-10:30 P.M.	Continental Breakfast Luncheon and Fashion Show Afternoon at Leisure Reception Dinner and Talk—THE LEGISLATIVE CLIMATE	Willis W. Alexander
Thursday, February 5 8:30- 9:30 A.M. 9:30 A.M. and thereafter	Concluding Breakfast Optional Golf or Deep Sea Fishing	

The 24th at The Sheraton Waikiki, Honolulu, Hawaii, February 1-5, 1976
The 25th at The Broadmoor, Colorado Springs, Colorado, September 4-7, 1976
The 26th at Pinehurst Hotel & Country Club, Pinehurst, North Carolina, November 4-7, 1976
The 27th at El Camino Real, Mexico City, Mexico, February 3-6, 1977

What is the Assembly?

The purpose of the Assembly for Bank Directors is: to increase the director's understanding of how he can serve his bank; to indicate the ways in which the director can best serve as a representative of his bank in the community; to provide better understanding of and respect for bank management's functions; and to acquaint the director fully with issues of critical interest to his bank and banking.

From 1968 through 1975, twenty-three Assemblies will have taken place. While the program listed here is specifically for the Hawaii Assembly, other Assemblies follow a similar format. Subjects for discussion are deter-

mined by trends and issues in banking at the time of each Assembly.

Any inside or outside bank director, advisory director, prospective director or senior bank officer is invited to attend the Assemblies, and past registrants are invited to attend again occasionally. Bank directors, senior officers, senior level bank supervisors and bank educators throughout the United States have acclaimed the Assemblies program. The Assemblies are endorsed by the American Bankers Association, the Independent Bankers Association, the Conference of State Bank Supervisors, and by various state and regional banking associations.

Faculty of the Twenty-Fourth Assembly

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James L. Hayes, President, American Management Associations, Inc., New York, New York
Leonard W. Huck, Executive Vice President, Valley National Bank, Phoenix, Arizona
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Van Smith, President, Bank of Tuckerman, Tuckerman, Arkansas
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Registration

The Foundation has made special arrangements with the Sheraton-Waikiki Hotel for the Twenty-Fourth Assembly to be on the American plan, and the daily rates which will be quoted to you by the Travel Agency, CDU, which has been appointed to serve the Assembly, include a standard breakfast, luncheon and dinner. The Foundation will pay the hotel an additional amount to provide for breakfast buffet service, receptions with hors d'oeuvres, and supplements to seated breakfasts, banquet meals, and special luncheons.

Because of the extra length of the Assembly in Hawaii and high offshore travel costs, faculty costs of the Twenty-Fourth Assembly will be much greater than in a standard Assembly. To meet these costs, the Hawaii Assembly Fee for directors is \$350 instead of the standard fee of \$300. The fee for spouses is being held to \$100.

Registrants and faculty will benefit from the flights available through Convention Destinations Unlimited, and their hotel reservations must be made through CDU, 605 East Algonquin Road, Arlington Heights, Illinois 60005. Those using the Convention Destinations Unlimited services will accomplish savings in travel cost and will assure personal attention to their travel and departure needs in Hawaii.

Information on hotel reservations and reduced rate airline transportation will be sent you upon receipt of Assembly registrations.

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The Sheraton-Waikiki
Honolulu, Hawaii
February 1-5, 1976

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The registration fee covers all materials, receptions, and supplements to scheduled breakfasts, luncheons, banquets; and all lectures, discussion sessions and other scheduled activities. Payments for travel and hotel services will be remitted to the travel agent, CDU.

(Please make checks payable to: The Foundation of the Southwestern Graduate School of Banking. Mail to: The Assemblies for Bank Directors, P.O. Box 1319 at S.M.U., Dallas, Texas, 75275.)

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Assembly for Bank Directors

The Sheraton-Waikiki, Honolulu, Hawaii
February 1-5, 1976



Employee-Incentive Program Credited With Success of Bank's Ad Campaign

WHEN REPUBLIC NATIONAL of Dallas told the public to expect "star treatment" at the bank, it realized that the success or failure of its new retail advertising campaign lay with bank employees. Republic had to motivate them to back up the campaign theme, "You get 'Star Treatment' at Republic Bank." Republic decided on the star emphasis to tie the promotion in with its corporate symbol, a silver star.

Although getting a staff of around 2,200 persons to act with a single purpose is difficult, it was made easier by the fact that the bank's management always has stressed personalized service. For the marketing division, the challenge was to capitalize on that heritage and find an effective channel of internal communication.

While the marketing staff was evaluating the advertising approach, two other projects were on the drawing board—an employee incentive program, and an internal briefing to employees about the new marketing effort.

"During the planning process, it became evident to us that all three elements should be part of an overall program," said D. J. White, vice president of marketing. "Because the public's image of Republic National is so closely tied to the employees' self image, the goals of external and internal communications could be effectively dovetailed. Hopefully, when viewed as different phases of the same effort, the total program could create an impact larger than the sum of its parts."

With that thought in mind, the marketing division put together a "1-2-3 punch": internal briefing, advertising and incentive programs designed to complement one another and create an integrated impact at all levels.

Because customer service was to be the dominant message of the ad campaign, the presentation to employees—which had been viewed at first solely as a means of familiarizing the staff with the incentive program—took on added importance. Outside consultants were asked to submit proposals outlining their approaches to employee motivation. The marketing division wanted to find an outside resource willing

to work with the staff throughout the give-and-take planning process and up to the actual briefing. That source turned out to be Dr. Vincent Flowers, assistant dean of business, North Texas State University.

Dr. Flowers' methods were designed to identify those personality traits and attitudes that could be appealed to effectively and channeled productively. He looked for a way to motivate each employee by finding his or her dominant values and attitudes. After his research had identified the most prevalent value systems, he and an associate of the university's audio/visual department worked with a graphics firm to transform the findings into a multimedia presentation.

The presentation was given over two days to 11 groups of about 200 employees each. Every employee received an elaborate, formal invitation from Republic's president, Charles Pistor, with his or her name hand inscribed on it. As each showing began, Mr. Pistor commented that the bank's high standing is not due primarily to a few aggressive persons in management posts, but instead to an ongoing sense of loyalty and pride. He also emphasized the concept of the bank as a family wherein every member is considered valuable and is entitled to know the bank's viewpoint, an approach indicated by Dr. Flowers' research.

At this point, lights were dimmed, a music track began to play, and a slide show highlighting Republic's heritage filled the screen. The staff was given a fast-moving trip back through time, said Mr. White, and employees were encouraged to identify with each event and time period in their own way and to justify further the pride they feel toward the bank and their jobs.

According to Mr. White, this part of the presentation resulted from Dr. Flowers' findings that the employees' desire for traditional roles should be reinforced. While slides pictorially indicated how the bank had changed, the message was growth through progress because the focus was on people rather than on numbers. Mr. White pointed out that at the close of this first seg-

ment of the show, employees applauded spontaneously.

Next came a film designed to provide methods by which employees could channel the positive feelings produced by the first segment. By means of a series of split-screen interviews, personnel saw their co-workers describe how they help customers with individual problems and the satisfaction that gives them. At the same time, on the other screen, Republic customers told how much they appreciate the friendly service of the bank's employees.

The slide-and-film presentations provided the background for introducing the new ad campaign to the staff. The new print ads were shown on the screen, TV spots were played and collateral materials discussed.

"The ads showed that customer satisfaction is a direct result of employee pride," said Mr. White. "The audience was made to feel their intrinsic role in 'Star Treatment,' and that, after all, is what we were trying to do."

In Dr. Flowers' terms, the presentation had reinforced each employee's sense of "belonging." Mr. White noted that each part of the marketing effort flowed smoothly into the next.

He said that because of the tremendous reception the employee briefing received, the bank's retail ad campaign was much more meaningful and successful. The bank, he continued, truly had full employee support, and, of course, it believes it did a better job than ever before because all members of the bank family were informed about the campaign's goals.

On March 17, Republic launched the program's third phase, its "Reach for the Stars" employee-incentive campaign. Employees received points for each piece of new business they brought into the bank. In turn, the points could be converted into a wide assortment of prizes selected from a special catalog.

"We are extremely pleased with the entire effort," said Mr. White. "Republic's traditional corporate symbol, the silver star, was used to create a personal, warm image of the bank and its employees. We offered our customers 'Star Treatment' and carried out that theme in many ways, including placing directors chairs in our customer-contact areas and imitating the voices of well-known movie stars on our time-and-temperature telephone service. Through the employee-briefing and incentive programs, we gave every employee the opportunity for direct participation and created a good deal of internal good will and pride. They became our 'star makers.' • •

Operations

New IBM Finance Communication System Put in Service at Illinois National Bank

ILLINOIS National, Springfield, has become one of the first commercial banks in the nation to process customer transactions with the IBM 3600 finance communication system.

The computer-based system features 42 keyboard display terminals for teller use at the bank's new headquarters and a nearby facility in downtown Springfield. Tellers in both lobby and drive-in facilities are equipped with the compact terminals.

"The 3600 system provides prompt and efficient customer service; comprehensive management information; reasonable cost and ease of operation," said President A. D. VanMeter Jr.

Using a keyboard display terminal, a teller can process a wide range of customer transactions, including checking and savings account activity and installment loan and mortgage payments.

As information is entered through the keyboard, a teller can display and verify it, spotting and correcting errors. The display also provides rapid response to a keyed inquiry, such as the customer's current balance.

"Fast, efficient service is essential since approximately half our customer business is conducted at drive-in locations," said Don S. Browning, vice president and cashier. "Last year, more than 500,000 transactions were conducted at our drive-in facilities."

Each teller terminal is linked to one of three controllers which communicates with an IBM System/370 Model 135 at the main bank. The controller helps tellers handle entire transactions—such as savings deposits. The teller enters the amount for deposit and the customer's account number at the keyboard display terminal.

The information goes to the controller which automatically performs computations. The teller inserts the customer's passbook into the passbook and document printer and the controller supervises printing of the new total in the passbook.

At day's end, the finance communication system eases the task of teller balancing. Each controller can instruct a printer to list for every teller the transaction, account number and amount, including cash paid or received.

The teller terminal helps process transactions and train new tellers. The terminal can flash step-by-step instructions to guide a new teller through each transaction. Bank officials said this feature is valuable in training part-time tellers and reducing teller errors.

"The system increases the effectiveness of the person customers see most often—the teller," said Mr. Browning. "Routine transactions are processed quickly and accurately; if a teller has



New IBM finance communication system at Illinois Nat'l, Springfield, helps process more than 500,000 drive-in transactions annually.

to make an inquiry, the system handles it in seconds. During the transaction, tellers can concentrate on serving customers. They don't have to go look something up while customers wait."

With the 3600 finance communication system, the bank will have the capability of implementing an on-line self-service banking terminal—the 3614 consumer transaction facility. This component of the 3600 system permits customers to withdraw cash from up to four different accounts—savings, checking, credit card or a special account. Customers can also inquire about the current balance in their accounts.

To use the terminal, a customer inserts a plastic magnetic stripe identification card. If the ID card is valid, a guidance display panel instructs him to key in a personal ID number at the terminal keyboard. The customer presses a series of keys on the keyboard to indicate the desired transaction. The system validates the transaction and dispenses up to \$400. The customer's account is debited and the card returned.

Mr. Browning said the machine offers computing capacity to handle both the finance communication system and a customer information system. The latter provides officers with up-to-date profiles of any customer's total relationship with the bank. Using a code, an officer can display a customer account on the screen of one of five visual display stations. Previously, he had to search many files for that information.

Illinois National employs more than 230 people and has assets of nearly \$200,000,000. Installation of the 3600 system coincides with completion of its new headquarters opposite the Old State Capitol. • •

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NEWS ROUNDUP

News From Around the Nation

Third Party Payments Begin

Beginning this month, the Fed and the FDIC have authorized banks to offer third-party payments to savings depositors, putting the banks on a par with S&Ls in that area.

The step is seen as one in the eventual elimination of the distinction between demand and savings accounts.

The procedure requires the depositor to give the bank the names of those organizations or individuals to whom funds are to be transferred on a recurring basis, indicating either the specific amount to be paid or a maximum amount and the frequency of payment.

Subsequent additions to the list of transferees or changes in instructions may be communicated to the bank in person, by writing or by phone.

If the depositor uses a written withdrawal form to convey transfer instructions to the bank, the form must state that it is not negotiable or transferable.

The Fed has advised that member banks should maintain data on accounts subject to third-party payment authorization in a manner "which will facilitate identification of such deposits for reporting purposes."

The Fed said the regulation will permit a savings depositor to authorize his or her bank to transfer funds to third parties—whether or not the payment is in satisfaction of a debt—or to the depositor's bank to repay any indebtedness to the bank, "except that incurred through overdrafts or use of a checking account line of credit."

Aggregate Time Deposits Banned

The FDIC has ruled illegal the practice of aggregating separate time deposits owned by different depositors into various groups totaling \$100,000 in order to pay the higher interest rate allowed for deposits of that size.

The practice was begun by the Bowery Savings Bank in New York City last year. The bank paid interest up to 12½% on aggregated accounts, none of the components of which totaled \$100,000. The accounts would have earned between 5½% and 6½% if they had not been aggregated.

The FDIC ruled that there must be a single written contract, regardless of the number of depositors involved, in all time deposit accounts.

Branch Deposit Disclosure Required

Effective with the June 30 call reports, banks must reveal the amount of deposits they draw from individual branches. The procedure is designed to create greater uniformity in the method in which regulators treat applications for new branches or new banks, regardless of whether they are located in branching or unit-banking states, the Comptroller of the Currency said recently.

This information was considered proprietary prior to the June 30 change.

The regulatory agencies have indicated that all banks should conform in reporting deposits for individual entities.

Corporate Savings Urged

The ABA is supporting the concept of permitting banks to maintain savings accounts for profit-making organizations in order to place banks on a par with thrifts in offering corporate savings accounts.

Proposed regulatory amendments offered by the Fed would permit member banks to accept funds of corporations, associations and other organizations operated for profit as savings deposits. However, the Fed would impose a \$100,000 ceiling on such accounts.

The ABA said such a restraint would prevent banks from adequately servicing the savings account needs of corporations and perpetuate the advantage now enjoyed by thrifts in this area.

Reserve Requirement Drop Asked

The Fed has been urged to reduce reserve requirements as a step toward improving the capital positions of all member banks.

Dr. George W. McKinney, senior vice president, Irving Trust, New York, said that "at a time like the present, when the Fed and others have expressed concern that capital shortages may inhibit bank lending needed to spur economic recovery, it is clearly in the national interest to do whatever is reasonable to rectify the problem."

He said the capital positions of member banks could be improved if the Fed would pay interest on Fed reserves or if the Fed reduced reserve requirements, or both.

More Minority Bank Supervision

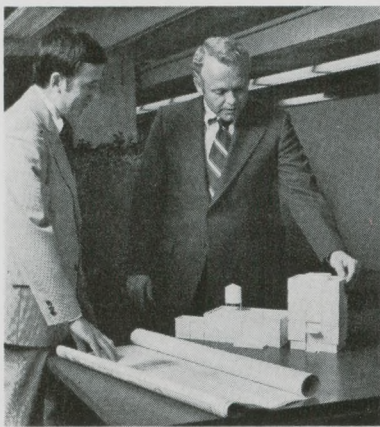
The president of a Chicago minority bank says examiners should be more diligent in auditing minority banks than in examining others.

The relationship of the regulatory agencies to these banks should be "very much hands on," according to George R. Brokmond, president, Highland Community Bank. He said the attitude of examiners should be "stern but helpful" to minority institutions, most of which are under 10 years of age.

He said minority banks are under great pressure to make socially desirable, but often high-risk loans for economic development in inner cities. This reduces their profitability and leads to serious problems for some banks.

A major task confronting minority banks is the striking of a balance "between the preferences of their owners and the expectations of third parties, while approaching the norms of the industry in expenses, profitability and growth," he said.

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Will the 40 Million American People Eligible for IRA Accounts Step Forward?

By **GEORGE MORVIS**
President & CEO
Financial Shares Corp.
Chicago

YOU WOULD think it would be fairly easy to find 40 million people in the U. S., or to locate 1.5 million firms throughout the country.

Why then have financial organizations found such difficulty in signing up customers for Individual Retirement accounts? Considering that Congress implemented this legislation (Employee Retirement Income Security Act of 1974—known as ERISA) to encourage people not covered by qualified pension or profit-sharing plans to save for retirement, one would believe that those eligible would come crashing through the door clamoring for sign-up forms. Not so. Let's attempt to analyze why.

There are, in my estimation, two basic reasons for the less than spectacular early return of IRA customers. One is the educational process involved and the second is the marketing process generated.

The IRA, by many definitions, is a complicated work. There are several still unresolved areas concerning IRAs. Both the Internal Revenue Service and the financial regulatory bodies are even now massaging the interpretation and parameters of the IRA. For instance, as of this writing regulatory agencies are soliciting comments on issues such as:

- Should IRAs be subject to the same early withdrawal penalties as other time deposits?
- Should commercial banks be allowed to pay the same rate of interest on IRAs as thrift institutions?
- Should IRAs carry a special interest rate?
- What affect on disintermediation will IRAs have?

• Should a new deposit instrument be created for IRA funds?

Oblivious to these and other unanswered questions, financial organizations have stormed ahead with their promotional programs equipped with less than complete education and information, but an overabundance of forms to help sign 'em up! As a matter of fact, seldom are many new services (and we'll consider IRA a new service) that come down the pike totally understood—but they do have a "form" and as long as that "form" exists, the financial organization is apparently happy and equipped to offer the service.

What I'm alluding to is that very often—and especially in the case of IRAs—we do not take the time or effort to fully understand the product or service. Many times we just don't have the time or personnel to devote to the task. Add to that the fact that ERISA was fashioned by the U. S. government, and we automatically complicate the issue. Like so many other products fathered by the Congress, IRAs contain rigid requirements which have a negative connotation to any reader (i.e. contribution penalties, severe withdrawal penalties, penalty taxes, etc.).

The fact of the matter is that the educational process is a difficult one when it comes to IRAs. How do we expect the public to understand and comprehend a service when those who offer the service do not fully understand it? Simply put—IRAs are complex both operationally and legally, and deserve close attention by financial organizations before they attempt to pass it on to the public.

Another key reason IRAs haven't caught fire is that the marketing effort carried out by many financial organizations has been misdirected. Two items seem to stand out in the IRA literature and advertising that I have seen: The words "tax-deferred" (or a variation thereof) and the figure \$1,500. In my estimation, both do not relate to the majority of the market we are trying to reach. Let me explain.

I visualize these 40 million eligible people, wherever they might be, as

really two segmented markets. The first and overwhelming majority is the blue collar, lower- to middle-class "average American," the second is the professional person/company without qualified pension or profit sharing plans.

The "average American" can't relate to socking away \$1,500 and, I believe, is not concerned with a "tax-deferment." This average person hardly has any disposable income left after groceries, house payments and gasoline. He certainly doesn't have \$1,500 to put into a long-term instrument.

Furthermore, I'd guess that the average guy probably doesn't itemize his deductions and isn't sophisticated to the point of planning his year-end financial position with a tax shelter in mind. I further doubt that our "average American" can relate to the words on the many, many charts accompanying IRA ads and literature, which read "assumes 25% tax bracket" or "assumes 33% tax bracket." For a quick justification on that viewpoint, run down to the corner and ask 10 people to recite their tax bracket.

Perhaps, therefore, many of us (and I'll include myself) missed the real thrust of selling to the need. Maybe we should have stressed the basic need for retirement money. Aren't we really borrowing a line from the insurance companies? How many people really understand insurance? But bless the insurance guy for his method—he goes right to the need when he peddles his wares, utilizing such mundane topics as death and retirement as the catalyst.

Maybe we should structure our message to sell the need for retirement and stress saving a monthly sum of \$15-\$25 or less. This might not be impossible for the "average American" to handle, since it wouldn't make a great dent in his standard of living. The tax-deferment angle can be worked into the pitch, but not as the center of attention. Utilizing this message, we should consider a touch of print and broadcast, heavier direct mail, statement stuffers, point-of-purchase displays. And, we should have knowledgeable employees on hand to explain the intricacies of the law when promoting IRAs to the "average American."

We have a different situation when analyzing the professional person/company market. These people would be the most logical candidates to sell on the tax-deferment benefit of IRAs, as well as the higher monetary figure of



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\$1,500. For the professional person, I feel the best way to go after that segment of the market would be direct mail.

The letter should be crisp and concise, tell of the IRA's benefit to the professional person and stress the \$1,500 tax-deferment angle. You might find that come December this market segment will be *very interested* in a tax-deferment, as people meet with their accountants and bookkeepers to assess their tax situation for the year. Early Keogh experience showed this to be a fact, as many people lined up at year-end to open their accounts. IRAs could generate the same interest.

In approaching the company portion of this market segment, you might, through current or future calling programs, visit companies and suggest they establish an IRA plan (assuming they don't have a qualified plan). In this way you could go into one place and have a crack at signing up, not just one individual, but several at one time. This would benefit the company, the employees, and the bank.

You should go through your commercial accounts and attempt to determine whether or not they have a qualified pension or profit sharing plan (call them on the phone if you don't have that information handy). If they do not offer a qualified plan, a letter can be directed to the chief executive officer of the company, promoting the availability of IRAs from your bank. Follow this by an in-person call discussing IRA features. You can also provide the company with enough literature to pass on to their employees, to familiarize them with the IRA.

If your bank is active in processing payrolls, this information could be used to identify corporations which might be interested in IRAs. You might even suggest a payroll deduction plan for IRAs. Unions, trade and professional associations can also establish IRAs for the exclusive benefit of their employees or members and their beneficiaries. Call on them. Also, if your bank is active in indirect financing for automobile, mobile home or recreational vehicle dealers, these dealers and their businesses are good prospects for IRA accounts. Normally, they do not have qualified pension and profit sharing programs.

These thoughts aren't necessarily designed to revolutionize IRA account generation efforts because, quite frankly, I believe the market will respond on a gradual curve instead of a sharp jump on the chart. The education process takes a long time. The marketing efforts have to be more closely aligned with the needs and wants of the mar-

ket segments.

IRAs will and should be a part of your *total* customer package . . . on a continuing basis. The service should be sold and cross-sold, like all of your other goodies in the bag of services. If, after a period of time, we still can't find those 40 million eligible individuals, then two things could have occurred: IRA prospects misinterpreted the initials and ran off to Ireland to sign on with the military, or a government statistician inadvertently added an extra zero on the projected market potential.

But, then again, those kind of things don't happen . . . do they? ••

On the House:

'Good Old Days' Return; Bank Gives Free Lunch

Passers-by in Kansas City's riverfront industrial area probably were pleasantly surprised when United Missouri of Blue Valley brought back the "good old days" by hosting a free picnic lunch.

During the two-day event, more than 2,000 people feasted on 400 pounds of barbecued hamburger, 200 pounds of hot dogs, 36 gallons of beans and 40 watermelons on the lawn of the bank's new facility.

Open less than a year, it reportedly is the only bank serving the industrial area. Officials, faced with the problem of reaching the thousands of people employed there, felt that conventional media and marketing techniques would not be heard by them, since those workers live throughout the Kansas City area.

Free lunch was an excellent solution to the problem, bank officers believe, since the 100-foot-long lines of hungry workers were attracted by nothing more than two hand-painted signs and a box of handbills. According to Doug Page, United Missouri of Blue Valley president, the picnic might become an annual event at the bank. Mr. Page divided his time between serving food and visiting with bank customers.



More than 2,000 people attended free, two-day picnic lunch given by United Mo. of Blue Valley, Kansas City. Event was planned to attract employees working in local riverfront industrial area, something which couldn't be done with conventional advertising.

Sweet Success:

Bank's Opening Promotion Puts Customers in Jam

Want to know how to put customers in a jam and have them come back for more? When Westgate State, Kansas City, Kan., opened its Parkway Plaza Drive-in Bank, prospective customers received jars of jam as a way of announcing the event.

The jars of Smucker's product, which had an additional label with the Westgate logo, were sent to each home in the area. A letter from Bill Martin, bank president, was included, inviting the recipients to the opening ceremonies.

Those depositing \$250 to a savings or checking account received their choice from eight different Smucker's gift packages.

A contest was held in which customers guessed the number of cars using the new facility during its first month of operation. The winner was presented



Bill Martin, pres., Westgate State, Kansas City, Kan., shows one of eight different Smucker's gift packages used by bank as premiums during opening of new drive-up facility. Bottles of jam with Smucker's and bank's labels affixed were sent to each home in area as invitation to event. In all, over 3,000 jars were distributed or given away as prizes and premiums.

with a \$250 savings account, and four runners-up received wicker picnic baskets filled with Smucker's products. The closest guess was only 11 away from the final total of 8,302.

Other features of the opening celebration were an open house, which was attended by bank directors, commercial customers and civic leaders. A 100-foot-long ribbon, that had been autographed by many of Westgate State's customers, was used in the official ribbon-cutting ceremony. The theme of the opening was "Spirit of '76," so employees were dressed in colonial costumes and patriotic tunes were played.



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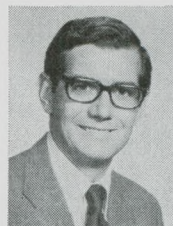
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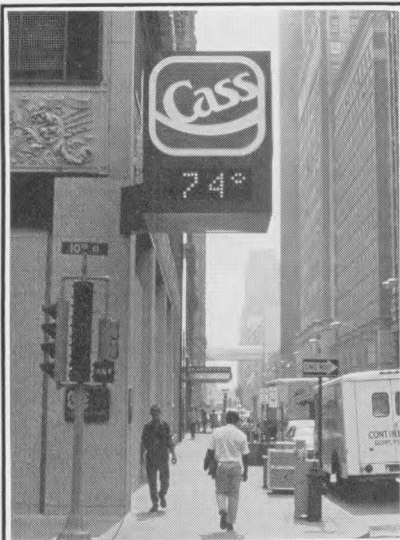
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THE AUTOMOBILE is basic to the American way of life. To many millions of Americans, it is a possession which could be considered as an investment. A great many Americans conduct their savings programs around this item. As one of our auto advertisements would have it, "hot dogs, apple pie and Chevrolet."

Suffice it to say that autos constitute one of our most important industries. And that means it ranks No. 1 in sensitivity to the business cycle. It also means that every few years we have broad swings in that cycle, resulting in considerable volatility in the economy. The swings can be upward, as in 1972-73, or downward, as in 1974-75.

The industry has felt great shock waves in the past few years from such sources as the U. S. government and the Middle East. We have seen the industry become at least semi-regulated. Some people estimate that about \$600 of the sticker price of each car is the result of new pollution and safety-related devices that are now required on U. S.-built cars. Based on requirements now on the books, another \$600-\$800 increase is in prospect.

A wealth of energy legislation is pending in Congress related to automobiles. It includes taxing or restricting oil imports, taxing or allocating gasoline supplies, regulating or taxing new cars with reference to gas mileage and giving tax credits to purchasers or manufacturers of gas-efficient new cars.

An excise tax proposal stipulates that, by 1977, any auto that achieves less than 13 miles per gallon would be subject to a \$200 excise tax. If 20 miles per gallon were achieved, the tax would be removed. If such a bill were passed, the capital requirements

for retooling for down-sizing in the industry would be enormous and there might be one or more companies finding it difficult to make the investment necessary to be early in the mileage-improvement race.

It may be that the energy crisis will dictate a change of direction in federal regulation. High unemployment in the industry certainly should contribute to a more favorable climate toward the industry on the part of Congress.

What about the consumer and his willingness and ability to buy? Most of us buy on credit. Much depends then on consumer confidence and the ability or willingness of the consumer to borrow.

Total installment debt at year-end 1974 was \$190 billion (not including 90-day notes and home mortgages). This amounts to \$943.42 of consumer debt for every man, woman and child in the U. S. About \$55 billion of this was automobile paper.

Total debt of \$190 billion is up from about \$30 billion in 1959 and \$90 billion in 1965. During the last three years, a total of about \$13 billion in new automobile debt has been incurred. Rates on new autos went from about 10% in 1972 to an average of 11.5% at commercial banks over the same period.

Commercial banks held \$73 billion in consumer debt at the end of 1974. About \$30 billion of that was automobile paper.

Lower interest rates are a plus factor for the auto industry. However, the reduced prime rate will not reflect itself substantially in auto paper rates. Whether it does will depend on delinquency rates, greater liquidity and lessened loan demand for banks and finance companies.

I don't believe 1976 will be an \$11+ million auto year, due as much to continued unsettled economic conditions and the increased cost of living as to the debt load already in place. I do, however, believe that 1976 will show a good increase from 1975.

If the "patent medicines" that have been injected into the economy result in inflation rates back into the double-digit area, then our recovery will be short-lived. • •



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We pick up the pieces before the smash-up

Things with motors or wheels—autos, boats, trailers, tractors, farm equipment—run into each other from time to time. When your bank holds the loan on something that has been damaged and you can't depend on repayment, the repair cost, at least, could be covered through Financial Insurance Service whether or not your customer had insurance.

(The customer's insurance may have been cancelled. Or he may have overlooked renewal.)

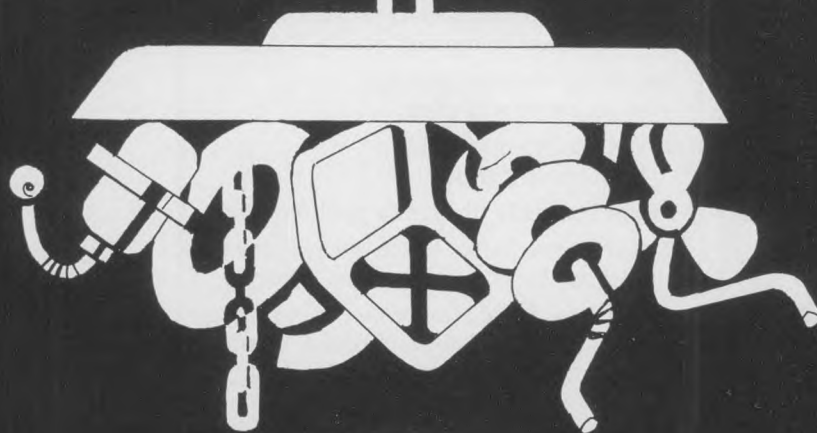
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NEWS OF THE BANKING WORLD

- **Pierce A. Hoggett**, vice president and trust officer, San Angelo (Tex.) National, has been elected president of the 1975 freshman class of the Southwestern Graduate School of Banking, Southern Methodist University, Dallas. Other Texas bankers named to class offices included Jess H. Hodges, vice president and trust officer, Fritch State—first vice president; Laurel P. "Sissy" Austin, assistant vice president, First National, Jacksonville—second vice president; Yolanda L. Walker, assistant vice president, National Bank of Commerce, Brownsville—secretary; and William P. Liles, trust officer, Fort Worth National—treasurer.

- **Lawrence E. Nerheim**, formerly general counsel, Securities & Exchange Commission, has joined BankAmerica Corp., San Francisco, as senior vice president. In that position, Mr. Nerheim will be responsible for the HC's nonbanking subsidiaries and for corporate business planning for BankAmerica Corp. and its principal subsidiary, Bank of America, San Francisco. He had been chief legal adviser of the SEC for the past two years.

- **Jewel S. Lafontant**, former deputy solicitor general of the U. S., and Marvin G. Mitchell, chairman, Chicago Bridge & Iron Co., have been named directors at Continental Illinois Corp. and its principal subsidiary, Continental Bank, both of Chicago. Mrs. Lafontant resigned as deputy solicitor general in June and now practices law.



LAFONTANT

- **James L. Sexton**, review examiner, FDIC's Dallas Office, has joined Regional Director Roy E. Jackson and Assistant Regional Director Louis A. Hurst Jr. as the FDIC's senior management, Memphis Region. That region covers Arkansas, Louisiana, Mississippi

and Tennessee. Mr. Sexton joined the FDIC in 1965.

- **Nine** Mid-Continent-area bankers received either "Thesis with Distinction" or "Senior Problems with Distinction" during the graduation ceremonies of the 1975 session of the Southwestern Graduate School of Banking, Southern Methodist University, Dallas. Receiving the former award were Charles A. Lawrence, loan officer, Small Business Administration, Houston; Robert P. Martin, vice president and Carol Lynn Peaster, trust administrative officer, Republic National, Dallas; Karen J. Cole, vice president & trust officer, Houston Citizens Bank; and Rita Robison Neal, trust officer, First National of Lea County, Hobbs, N. M. The latter award went to Paul K. Lewey, assistant to the president, National Bank of Commerce, Pine Bluff, Ark.; Larry B. Martin, assistant vice president, First National, Memphis; Paul A. Rowntree, assistant vice president, Bank of Commerce, Fort Worth; and Daniel J. Kelly, vice president and trust officer, Lubbock (Tex.) National.

- **John J. Early**, formerly FDIC regional director, San Francisco, has been appointed director of the FDIC's division of bank supervision. He succeeds Edward J. Roddy, who died June 19. Mr. Early joined the FDIC in 1949.

- **Edwin A. Schoenborn**, executive vice president and head of the loan administration division, Irving Trust, New York, has been elected executive vice president, Charter New York Corp., the bank's HC. Mr. Schoenborn, who also is the bank's credit policy committee chairman, joined Irving in 1941.

James E. Patrick Dies



James E. Patrick, 67, retired pres. & ch., Valley Nat'l of Arizona, Phoenix, and state bankers assn. pres., 1961-1962, died August 6. He joined the bank in 1945, rose through the ranks and was named pres. in 1963, v. ch., 1968, and ch., 1971.



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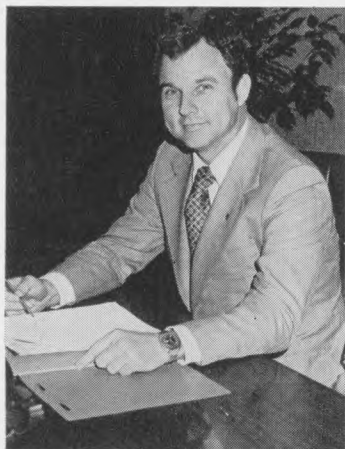
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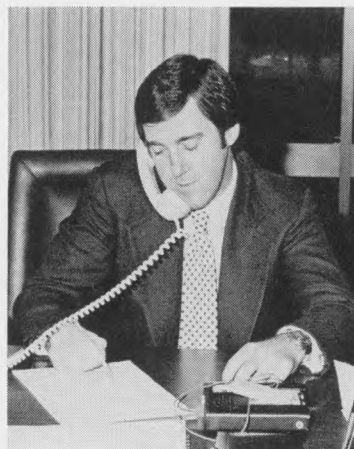
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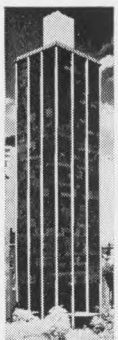
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Commercial Lending

Three Major Aspects of Comm'l Lending To Be RMA Fall Conference Topics

PANEL DISCUSSIONS on three major aspects of commercial lending will be a highlight of the 61st annual fall conference of Robert Morris Associates November 2-5 at the Fairmont Hotel and Tower in San Francisco. One of the conference speakers will be the 1975-76 RMA president, Robert A. Young, president, Northwest Bank, Vancouver, Wash.

On November 3, the business session will be devoted to "Commercial Lending: Its Environment." Panel discussions will be held on "The Financial Reporting Environment," "Loan Loss Reserves: Rationale and Evaluation" and "Bank Loans and Lending: Three Industry Reviews." Talks will be given on "The Banking Environment" and "The World Monetary Environment."

The following day, the business session will focus on "Commercial Lending: Its Priorities and Direction." Delegates will learn how "Lending Needs and Priorities" are seen by Congress, the regulators, the commercial customer and banking.

Martin Mayer, author of the controversial book, "The Bankers," will be the guest speaker at the November 4th breakfast, his topic to be "An Interested Outsider Looks at Banking and Lending." Mr. Mayer also will moderate a panel discussion to follow the "Lending Needs and Priorities" panel.

The overall theme of the November 5th business session will be "Commercial Lending: Its Practice." Panels are planned on "Lending to and Among Banks," "How to Realize on Collateral," "Responsibilities in Upstream-Downstream Loan Participations: Implementation of Guidelines," "Management and Mix of Loan Portfolios," "Problem Loans—Who's to Blame: Credit Departments or Loan Officers?" and "Responsibilities in Multi-Bank Credits." Also scheduled is a talk on "Commercial Lending: Where Do We Go From Here?"

For the first time, RMA will open its annual fall conference with an inspirational breakfast November 3. Joyce Landorf, vocalist and author, will be featured. Mrs. Landorf, whose husband is a banker, has written "His Stubborn Love," "The Richest Lady in Town,"

"To Lib or Not to Lib" and "The Fragrance of Beauty."

The conference will be opened officially November 2 with a cocktail reception, and the Gaslight Band will entertain. For the first time, the president's banquet, usually held on Tuesday night, has been moved to Wednesday night, November 5. • •

Young Is RMA President; Mitchell Named 1st VP

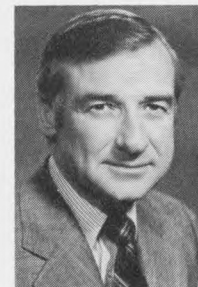
Robert A. Young, president, Northwest Bank, Vancouver, Wash., was elected president, Robert Morris Associates, August 8. He succeeded Frank R. Dyer Jr., executive vice president, Philadelphia National.

Other new RMA officers are: first vice president, Dan W. Mitchell, president, Old National, Evansville, Ind.; and second vice president, Willis F. Rich Jr., executive vice president, Northwestern National, Minneapolis. One of the new directors is George R. Baker, executive vice president, Continental Illinois National, Chicago, who was elected to a three-year term.

The new officers and directors took office September 1.



YOUNG



BAKER



MITCHELL

MID-CONTINENT BANKER for September, 1975

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It takes people who know banking like your bankers from Boatmen's. They are trained to give you the assistance you need. Naturally, some situations arise that require special technology. Your banker from the Boatmen's will draw on the knowledge of a marketing specialist, bond specialist or a computer technician, whatever is necessary.

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Corporate News Roundup

• **First Ogden Corp.** Vernon S. Hoesch has been elected chairman and CEO of First Ogden Corp., Naperville, Ill. Succeeding him as president is Donald H. Fischer, formerly senior vice president. Frederic J. Robbins, former chairman, will continue as executive committee chairman. In other administrative changes at First Ogden, former vice presidents G. G. Mat-



HOESCH



FISCHER

thaeus and David S. Sutton have been elevated to senior vice presidents, financial division and sales division, respectively. Edwin K. Siebert has been named vice president, administrative division, and corporate secretary. First

Ogden, reportedly one of the pioneer bank service firms in the U. S., began the concept for a six-bank group in the western Chicago suburbs in 1970. It was set up to provide a complete range of professional services for small- and medium-size institutions at a cost that otherwise would be unattainable for each individual bank.

• **Century 100 Corp.** Century 100 Corp., New Orleans, has expanded its operation from the Gulf South states to other areas of Mid-America. Century 100 sells, installs and services vault doors, safe deposit boxes, drive-up systems and all other types of bank equipment.



WILSON

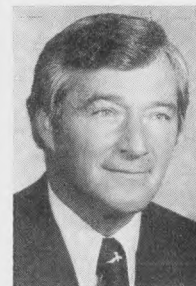


WOODSON

• **John H. Harland Co.** H. Grady Wilson Jr., vice president of sales, and Robert R. Woodson, vice president of finance and treasurer, have been named executive vice presidents at John H. Harland Co., Atlanta. Named vice presidents at Harland were James E. Hooper and A. Clyde Baxter III, district sales managers, and Donald K. Voshall, director of manufacturing. Mr. Wilson has been with the firm since 1957; Messrs. Woodson and Voxhall, since 1964; Mr. Hooper, since 1959; and Mr. Baxter, since 1967.



ENGSTROM



IMPEY

• **Financial Insurance Service, Inc.** Peter L. Engstrom, Jack W. Impey and Robert M. Levi have been promoted to senior vice presidents at Financial Insurance Service, Inc., Des Plaines, Ill. Mr. Engstrom supervises operations for FIS in an area including the upper third of Illinois and Indiana, while Mr. Impey oversees operations for the firm in central and southern Illinois, Missouri, Kentucky, Indiana, Arkansas and Tennessee. Mr. Levi's territory includes Alabama and Tennessee.

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DETROITBANK CORPORATION

Consolidated Statement of Condition, June 30, 1975

ASSETS

Cash and Due from Banks.	\$ 443,079,000
United States Treasury Securities.	221,774,000
United States Government Agency Securities	55,101,000
State and Municipal Securities.	462,248,000
Other Securities.	7,377,000
Trading Securities.	8,323,000
Total Securities.	<u>754,823,000</u>
Federal Funds Sold and Securities Purchased Under Agreements to Resell.	<u>76,450,000</u>
Commercial Loans	826,258,000
Consumer Installment Loans.	198,706,000
Real Estate Mortgage Loans.	660,516,000
Total Loans.	<u>1,685,480,000</u>
Premises and Equipment.	31,499,000
Customers' Liability on Acceptances.	11,203,000
Accrued Income Receivable and Other Assets.	<u>44,823,000</u>
TOTAL.	<u>\$3,047,357,000</u>

LIABILITIES

Demand Deposits.	\$ 771,635,000
Savings and Personal Time Deposits.	1,452,341,000
Other Time Deposits.	371,890,000
Total Deposits.	<u>2,595,866,000</u>
Federal Funds Borrowed.	87,475,000
Securities Sold Under Agreements to Repurchase.	11,603,000
Other Borrowed Funds.	31,559,000
Unearned Income.	23,936,000
Liability on Acceptances.	11,203,000
Accrued Expenses and Other Liabilities.	<u>50,160,000</u>
Total Liabilities.	<u>2,811,802,000</u>
RESERVE FOR LOAN LOSSES	<u>31,745,000</u>

SHAREHOLDERS' EQUITY

Preferred Stock—No par value.	—
	1975 1974
Authorized	500,000 500,000
Issued	— —
Common Stock—\$10 par value.	33,705,000
	1975 1974
Authorized	4,500,000 4,500,000
Issued	3,370,483 3,370,483
Surplus.	125,000,000
Retained Earnings.	<u>51,713,000</u>
	<u>210,418,000</u>
Less Treasury Stock—182,282 shares in 1975; 115,568 shares in 1974, at cost.	<u>6,608,000</u>
Total Shareholders' Equity.	<u>203,810,000</u>
TOTAL.	<u>\$3,047,357,000</u>

On June 30, 1975, securities having a par value of \$144,370,000 were pledged, where permitted or required by law to secure liabilities and public and other deposits totaling \$76,354,000 including deposits of the State of Michigan of \$22,196,000. Standby letters of credit amounted to \$19,276,000 as of the same date.

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E. A. Cafiero
President Elect—
Chrysler Corporation

Walker L. Cisler
Retired
Chairman of the Board—
The Detroit Edison Company

Frank A. Colombo
Retired Executive
Vice President—
The J. L. Hudson Company

Rodkey Craighead
President

Louis A. Fisher
Director

Walter B. Ford II
Chairman of the Board
Ford & Earl Design Associates, Inc.

Edward J. Giblin
President—Ex-Cell-O Corporation

William E. Grace
Chairman of the Board—
Fruehauf Corporation

Jason L. Honigman
Partner—Honigman,
Miller, Schwartz and Cohn

Donald R. Mandich
Executive Vice President—
Detroit Bank & Trust

James McMillan
Director

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President—Burroughs
Corporation

E. Joseph Moore
President—
Detroit Ball Bearing
Company of Michigan

Raymond T. Perring
Retired Chairman

H. Lynn Pierson
Chairman of the Executive
Committee—
Dura Corporation

Robert F. Roelofs
President—Macomb County
Community College

W. Warren Shelden
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C. Boyd Stockmeyer
Chairman

Arbie O. Thalacker
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Detrex Chemical Industries, Inc.

Cleveland Thurber
Counsel—
Miller, Canfield, Paddock and Stone

Herbert B. Trix
Director—
The Standard Products Company

William R. Yaw
President—Wabek Corporation

Detroit Bank & Trust, principal subsidiary. Other banking subsidiaries in: Livonia, Southfield, Troy and Warren.

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James M. Kemper, Jr.
Chairman



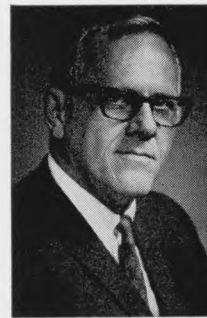
P. V. Miller, Jr.
President



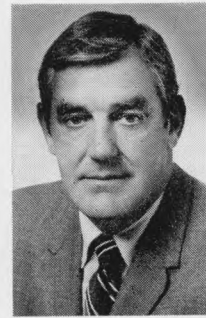
B. M. Lamberson
Vice Chairman,
Commerce Bancshares, Inc.



David A. Rismiller
Executive Vice President



Frank E. Boesche
Senior Vice President



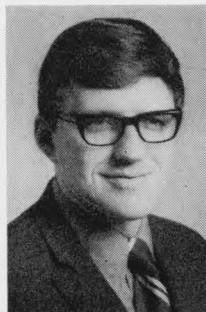
Fred N. Coulson, Jr.
Senior Vice President



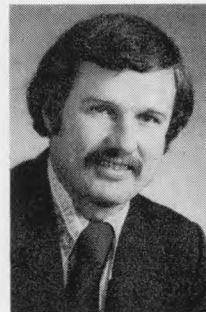
Larry E. Lumpe
Senior Vice President



Tom C. Cannon
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Ben F. Caldwell
Vice President



Paul N. Shy
Vice President



Lee W. Peakes
Assistant Vice President



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This is New York City's skyline as it's seen from old Brooklyn Bridge, opened to traffic in 1883. World Trade Center's 110-story twin towers can be seen at right center. Photo courtesy New York Convention & Visitors Bureau.



Biggest Program in ABA History Planned For Centennial Convention Oct. 4-8

THE LARGEST PROGRAM ever presented at an ABA convention is planned for this year's centennial convention October 4-8 in New York City. The first ABA convention, held July 20, 1875, in Saratoga, N. Y., attracted some 350 bankers from 32 states. Today, the association represents nearly 14,000 banks, about 97% of the U. S. banking industry, and the 1975 meeting is expected to draw 12,000 bankers and their spouses. This year's theme is "The ABA—Helping Banks Help People."

When the first meeting was held 100 years ago, this country was planning to observe its centennial, and one of the purposes of that first ABA convention was to make "a proper representation of the banks and moneyed interests of the country at the U. S. Centennial Exhibition in Philadelphia." Today, the ABA is combining the celebration of its own 100th birthday with the nation's bicentennial (see page 47).

The 64 educational events that will make up the ABA centennial convention program include:

- Two general sessions in New York City's Radio City Music Hall.
- A Sunday morning fellowship gathering, also to be held in Radio City Music Hall, with an inspirational message from Dr. Norman Vincent Peale.
- Five banking forums on topics of industry-wide interest.

MID-CONTINENT BANKER for September, 1975

COVER PHOTO: This is artist's sketch of ABA's third annual (1878) convention in Saratoga, N. Y.

- Forty-two special-interest workshops, many of them keyed to particular needs of community bankers.
- Five management sessions to be led by nationally known specialists in industrial management.
- Six Menninger motivational seminars, in which psychiatrists will examine prejudice, power, pain and pretense in the modern industrial setting.
- Two special spouses programs, "Electronic Money: What Does It Mean to You?" and a Tuesday Radio City Music Hall salute to America entitled "Star-Spangled Rhythm."
- An educational display including 330 exhibits of new products and services of interest to bankers.

The Monday morning general session in Radio City Music Hall will feature a banker panel moderated by TV commentator David Brinkley. Panelists will include A. W. Clausen, president, Bank

Times Square in New York City is one of most photographed sites in country. This view looks north to where Seventh Avenue and Broadway intersect. In square is "TKTS" booth, where half-price theater tickets are sold on day of performance for Broadway and off-Broadway shows. Photo courtesy New York Convention and Visitors Bureau.

of America, San Francisco; Gaylord Freeman, chairman, First National, Chicago; and Walter B. Wriston, chairman, First National City, New York City.

Tuesday's program will be devoted entirely to concurrent forums and special-interest workshops, and Wednesday morning's general session will feature NBC-TV's "Today" show produced especially for the convention. Hosts Barbara Walters and Jim Hartz will interview a number of prominent personalities and authorities in various fields of public life.

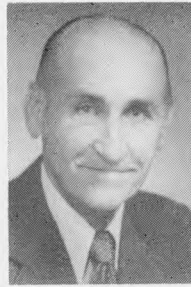
The five banking forums, scheduled



Future ABA Conventions

- 1976—Washington, D. C.
- 1977—Houston
- 1978—Honolulu
- 1979—New Orleans
- 1980—Not set yet
- 1981—San Francisco

**Principals
At ABA
Convention**



DUWE



MORTHLAND



WHYEL



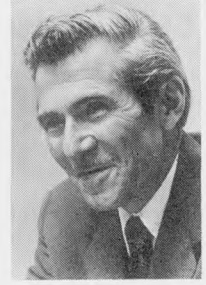
BICKMORE



McPETERS



LYON



ALEXANDER

for Monday afternoon and Tuesday, will examine the following subjects:

“Regulation and the Public Interest.” Key banking regulators will discuss such questions as “Does present banking regulation make sense, and is it in the public interest?”

“Investment/Economic Outlook.” Leading economists and bankers will forecast activity in monetary and fiscal policies and interest rates for the balance of 1975 and for 1976.

“Correspondent Banking Today.” This session will explore new and developing relationships between correspondent money center banks and their respondent community financial institutions.

“The Washington Scene.” The impact of and outlook for banking legislation and regulatory issues will be the subject of this session.

“Electronic Funds Transfer Systems (EFTS) and Community Banking.”

Central to this forum will be the implications and cold realities of EFTS developments, along with an exploration of alternative strategies for community banks.

The motivational seminars have been developed especially for the ABA centennial convention by the Menninger Foundation of Topeka. The seminars—

to be conducted by senior staff members of the foundation’s Center of Applied Behavioral Sciences—will explore the person in stress, the person in distress, the person and change, the personal milieu and morale, the person and prejudice and the person and leadership. These sessions will be held daily

(Continued on page 62)

ABA 1975 Centennial Convention

*New York Convention
Summary Program Format*

	Saturday Oct. 4	Sunday Oct. 5	Monday Oct. 6	Tuesday Oct. 7	Wednesday Oct. 8
Morning	Grand Opening Registration Educational Displays Hospitality Center	8:30 a.m. - 10:00 a.m. Fellowship Gathering Norman Vincent Peale	8:00 a.m. to 9:00 a.m. Special Interest Sessions (7)	8:00 a.m. to 9:00 a.m. Special Interest Sessions (7)	8:00 a.m. to 9:00 a.m. Special Interest Sessions (7)
	10:00 a.m. - 11:00 a.m. Special Interest Sessions (7)	10:30 a.m. to 12:00 noon Menninger Exec. Seminar III	9:15 a.m. General Session	9:30 a.m. to 11:30 a.m. Concurrent Forums: -Investment/Economic Outlook -Correspondent Banking Today -Menninger Exec. Seminar VI -Management Series	9:15 a.m. General Session
	10:00 a.m. to 12:00 noon Menninger Exec. Seminar I				
Afternoon	1:30 p.m. to 4:30 p.m. Management Series	2:30 p.m. to 3:30 p.m. Menninger Exec. Seminar IV	2:00 p.m. to 4:00 p.m. Concurrent Forums: -Regulation & the Public Interest -Management Series -Menninger Exec. Seminar V -Spouses Program, "Electronic Money"	10:00 a.m. to 11:30 a.m. Spouses Program, "Star Spangled Rhythm" 2:00 p.m. to 4:00 p.m. Concurrent Forums: -The Washington Scene -EFTS & Community Banking -Management Series	
	2:30 p.m. to 4:30 p.m. Menninger Exec. Seminar II	2:30 p.m. to 3:30 p.m. Special Interest Sessions (7)			
	2:30 p.m. to 3:30 p.m. Special Interest Sessions (7)	2:00 - 4:00 p.m. Management Series			
		5:30 p.m. to 7:30 p.m. Reception		6:00 p.m. to 7:30 p.m. Reception	

ABA's Centennial Celebration Set to Begin

Observance to Include Smithsonian Exhibit, Pictorial History of Banking and Film

A THREE-PRONGED educational program designed to tell the story of banking's role in the growth of the nation has been put together to celebrate the American Bankers Association's centennial. For the past three years, the 10-member ABA Centennial Commission and its chairman, W. Liddon McPeters, have been working on this project. Mr. McPeters, scheduled to become ABA president-elect during this year's ABA convention, is president, Security Bank, Corinth, Miss.

"What better time than the joint celebration of the ABA centennial and the U. S. bicentennial to acquaint the general public with the fact that banking and America grew up together," said Mr. McPeters. "From financing the Revolution to financing modern community improvement, you name the event and banking was there."

To delineate banking's historical role, the commission chose three mass-audience vehicles: a major exhibit in the Smithsonian's Museum of History and Technology in Washington, D. C.; a soft-backed pictorial history of banking and a 30-minute documentary film.

The Smithsonian exhibit, *American Banking*, will be inaugurated at a gala reception the evening of September 17. On hand for the ribbon-cutting ceremonies on the third floor of the Museum of History and Technology will be guests from the White House, regulatory agencies, Congress and the Cabinet, as well as ABA officials, the ABA Governing Council and Centennial Commission members.

The exhibit will occupy 3,400 square feet of space next to the Hall of Money and Medals and will remain on view throughout the 1976 bicentennial year. It's being produced by Joseph Wetzel & Associates, Stamford, Conn., described as an experienced museum-exhibit de-

sign firm that was highly recommended by the Smithsonian.

According to Mr. McPeters, the exhibit will be vivid and dynamic and not a "hands-off, under-glass" gathering of artifacts. He said that its appeal will be to the general public and that it will grab their attention and hold it with use of sound tracks, lights, computers, color films and the opportunity for each visitor to operate a 24-hour automatic teller.

The first step into a giant bank vault will take each visitor on an historical walk through time, beginning with banking's contribution to the development of this country from its earliest



W. Liddon McPeters, pres., Security Bank, Corinth, Miss., is ch., ABA Centennial Commission, which—for past three years—has been working on plans to celebrate ABA's centennial. Mr. McPeters also is scheduled to become ABA pres.-elect during association's convention in October.

days. A feeling of actual movement through the years will be provided by "time tunnels" connecting five major periods of American history: Colonial America, Westward Expansion, Industrial Revolution, the New Deal and Today/Tomorrow in Banking.

Adding to the feeling of historical reality will be artifacts and memorabilia on loan by ABA-member banks, illustrating authentic early American banking and banking technology. Many of the 30 million visitors anticipated by the Smithsonian during the bicentennial celebration are expected to visit the banking exhibit.

Also to be unveiled September 17—and paralleling the exhibit—will be a pictorial history of banking. Titled *American Banking: Chartered for Progress*, this soft-backed publication also will be aimed at general audiences. Illustrations and photographs, as well as the story line and style of writing, are designed to appeal to high-school-age groups and older readers.

The publication's authors, Dr. and Mrs. Vladimir Clain-Stefanelli, are Smithsonian curators. The book is being published by Acropolis Books, Ltd., Washington, D. C., and will be available to the general public at \$5.95 a copy.

The ABA is offering the book to member banks at special, pre-publication prices, which range from \$4 per single copy to \$2 a copy for orders of 500 or more. Copies of the book are expected to be available at the ABA convention October 4-8, and they also may be obtained from: ABA Order Processing Department, 1120 Connecticut, N.W., Washington, DC 20036.

Under current plans, the documentary film will be shown at Radio City Music Hall during the centennial con-

(Continued on page 60)



ABA President-Elect and Mrs. J. Rex Duwe check out a newly installed street sign in Lucas, Kan., where Mr. Duwe is ch. & pres., Farmers State. The sign reflects a tribute paid by the the entire community to Rex and Winnie Duwe during ceremonies held last November 3. City officials proclaimed "J. Rex Duwe Day" and named the street in the Duwes' honor in recognition of the couple's community service and personal achievements. Mr. Duwe will be the first ABA president in the association's 100-year history to come from a town as small as Lucas, which has a population of 595.



Rex and Winnie Duwe's main hobby is planning and taking freighter trips on cargo ships. Here they are making plans for future trips after Mr. Duwe leaves his ABA office. They have taken eight such trips during the past 15 years and have gone to such exotic places as Egypt, Hong Kong and Buenos Aires.

J. Rex Duwe of Lucas—

Kansan Is Next in Line For ABA Presidency



Mr. Duwe joins other Lucas businessmen and farmers at a local coffee shop for an afternoon coffee break. He believes sessions like these have, many times, led to more productive planning for community improvement than have formal meetings.



Mr. Duwe (c.) joins Wayne Naegele, plumbing and heating contractor, and Ralph Wilson, building contractor, both of Lucas, on the site of the future home of Farmers State. The bank's present quarters (background) were erected in 1909.



A Farmers State staff meeting is interrupted for a photo. Mr. Duwe is shown with (standing, l. to r.): Douglas Hickman, v.p.; Kathleen Herbel, bookkeeper; Lola Brant, a.c.; Geraldine Parker, cash.; Lois Cooper, a.c.; and Stephen R. McAllister, e.v.p.



Mr. Duwe, always active in his community, was in large part responsible for bringing this 62,000-square-foot manufacturing company to Lucas. The firm makes double-wide mobile homes and has provided about 50 jobs. Mr. Duwe helped negotiate purchase of the site and arranged the financing to attract the industry to Lucas.

This modern, 50-bed nursing home in Lucas is a result of Mr. Duwe's personal efforts and finance arranging. With Mr. Duwe is Mrs. Faye Mesecher, administrator of the home, who heads a staff of 25.



Stephen McAllister, e.v.p., Farmers State, reports to Mr. Duwe on progress of construction of the new Main Office building. An artist's concept of the structure appears at right.



MID-CONTINENT BANKER for September, 1975

Mr. Duwe's many activities include being treasurer more than 25 years of Wesley Methodist Church, where he convinced officials that it would be possible for a small congregation to replace a one-room building with a new one. Mr. Duwe arranged the financing, and—under a program called "A Venture in Faith"—the membership actually built the new church quarters themselves.



Quality, Growth Stressed in Theme Of ABA Correspondent Conference

THHEME of the 1975 ABA National Correspondent Banking Conference, set for November 9-11 in Los Angeles, will be "Strive for Quality—Plan for Growth."

The two-day business session will be divided, with attention on the first day focused on assessing the quality of interbank credit and emphasis on the second day on planning for future growth.

Conference chairman is William T. Dwyer, vice president, First National, Chicago.

Keynote speaker for the conference will be Gaylord Freeman, chairman, First National, Chicago. Mr. Freeman is expected to set the tone for the conference at its opening session. Also on the speaker's platform will be Roger A. Lyon, executive vice president, Chase Manhattan, New York, and chairman, ABA Correspondent Banking Division. Mr. Lyon will cover the loan officer's appraisal of bank ratios in arriving at a credit decision. His approach is expected to be directed toward an evaluation of the medium-sized bank.

"This evaluation will not be an 'end all' approach to interbank credit analysis," Mr. Dwyer said. "It is, rather, a serious first step in the establishment of techniques of credit appraisal of banks as borrowers and is a recognition of the correspondent loan officer's needs and responsibilities to start with some basics and move progressively toward refining the tools of his trade."

The first day's program will be concluded with three concurrent workshops covering evaluations of the bank holding company borrower, the medium-sized bank borrower and generating non-bank sources of funds.

The afternoon session will feature three different concurrent workshops, using a case study approach and involving academicians. Topics covered will be evaluating HC and/or big bank borrowers, medium-sized bank borrowers and bank stock loans.

Ten separate consulting sessions covering credit and correspondent services will round out the afternoon schedule.

Speakers on the morning of the second day will stress the basics of products and people, market and profits, according to Mr. Dwyer, while EFTS will dominate the afternoon. "EFT is a key element of concern and study at all levels of bank management today," Mr. Dwyer said, "and correspondent bank-

ers cannot help but be enmeshed in all aspects of their banks' EFT planning."

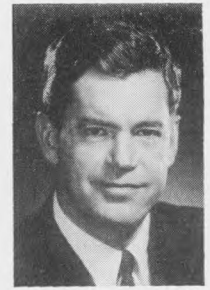
The afternoon will begin with a third general session on EFT aimed at the correspondent banker, followed by 10 more consulting sessions.

"This will include," Mr. Dwyer said, "a discussion on the economics of EFT for correspondents and their respondents plus a review of the costs of current systems, identification of major cost elements—both developmental and operational—and how to analyze the risk and return."

Registration materials for the conference are being mailed this month, according to the ABA. • •



FREEMAN



DWYER



LYON

ABA's Annual Bank Card Convention Will Cover EFTS, Government Regs

EFTS and government regulation will be the principal topics at the ABA's 1975 annual Bank Card Convention, to be held in Bal Harbour, Fla., September 21-24.

Theme of the convention will be "New Challenges in the Mid-70s," according to Nicholas J. Ferrante, conference chairman, and vice president, Security Pacific National, Van Nuys, Calif.

Keynote speaker will be Kenneth V. Larkin, chairman of the Bank Card Division's government relations subcommittee and senior vice president, Bank of America, San Francisco.

"As we enter the second half of the decade, bank card managers are faced with many new challenges," Mr. Ferrante said. "We can expect an acceleration of attempts for new legislation at both the state and federal levels."

He noted that Mr. Larkin "will discuss some of the difficulties involved in the translation of such legislation into regulation."

Another first-day speaker will be Richard D. Hill, chairman of the ABA Payments System Policy Committee and chairman, First National, Boston. Other featured speakers will include D. Dale Browning, chairman of the ABA Bank Card Division and president, Colorado National, Denver; John J. Reynolds, president of Interbank Card Association; Dee W. Hock, president of National BankAmericard, Inc., and

Senator Joseph R. Biden Jr. (D., Del.), chairman of the Senate Banking Committee's Subcommittee on Consumer Affairs.

A panel on "Federal Regulatory Views of EFTS" will include Russell Browne, payments system advisor to the Comptroller of the Currency; William Weber, staff counsel of the Senate Banking Subcommittee on Financial Institutions; and George Oram, director of the Federal Home Loan Bank Board office that oversees EFT experiments of federal S&Ls.

Bank card attorney Roland Brandell will host a panel discussion on "New Regulations, New Challenges," which will include Jerauld C. Kluckman, chief of the Fair Credit Practices Section of the Office of Saver and Consumer Affairs, and Louis Goldfarb, director of the task force on equal credit opportunity. Both men are from the Fed. Subjects to be covered include fair credit billing, equal credit opportunity, unfair credit practices and privacy.

"Where Are We in the Life Cycle of the Bank Card?" is the question that will be posed for a panel discussion led by Robert L. Jaynes, director of the ABA Bank Card Division. Panelists will include John Dillon, executive vice president, National BankAmericard, and John Fisher, vice president, City National, Columbus, O. • •

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Owen Kyle (left) and *Charles Vier*. Owen is our Executive Vice President of Operations, and Charlie is Senior Vice President in Bank Operations. Together, they have over 56 years of Bank Operations experience.

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FREE ENTERPRISE Is Hanging in the Balance!

By J. REX DUWE, President-Elect, American Bankers Association

NEXT YEAR marks the 200th birthday of our great nation, and already we have begun to run up the flags in celebration. But next year marks another bicentennial that many Americans may not care to celebrate: the 200th anniversary of Adam Smith's delineation of capitalism in his classic book, *The Wealth of Nations*. This was the book that helped launch an economic revolution as Europe—and the brand new United States—threw off the last vestiges of a feudal economy and emerged into the 19th century as full-fledged capitalists.

Yet today, we who have reaped the benefits of the free enterprise system seem to see little cause for celebration. As we approach our nation's bicentennial, the economic system that helped give us 200 years of unprecedented growth is under fire as never before.

Viewed in the harsh light of history, this growing dissatisfaction with the free enterprise system is difficult to understand. For over the past 200 years, capitalism has managed to produce greater wealth and a higher standard of living than in all the previous history of mankind. It's difficult to realize today how closely the living conditions of the pre-capitalist world resembled those of the middle ages.

No one would deny that totally unbridled capitalism has been without serious flaws. The horrifying spectacle of children working 14 hours a day, the wrenching cycles of boom and bust, the tyranny of monopolized industries at the turn of the century—these were abuses that cried out for remedies. In

1912, Woodrow Wilson, who was certainly no radical, condemned capitalism as a "great economic system which is heartless."

But despite the problems, capitalism persisted—largely because no one could think of a better system for producing the goods and services our nation needed. No one was able to find a better people-motivator than that which drives the free enterprise system: simple self interest.

And the abuses *were* curbed. Beginning with the progressive legislation of Teddy Roosevelt and his trust busters, U. S. companies and entrepreneurs have gradually become more and more regulated in the name of protecting the American public. Regulations on raising capital, consumer protection, antitrust, environmental protection and affirmative action—every banker is familiar with the litany of laws and regulatory agencies that now have an impact on almost every aspect of our operations.

Some of us dislike those regulations, but the fact is that, by and large, they have not seriously hampered the ability of American free enterprise to do what it was designed to do: meet the needs of the American people at a profit. Indeed, only 10 years ago, many economists thought that the free enterprise system was entering a kind of golden

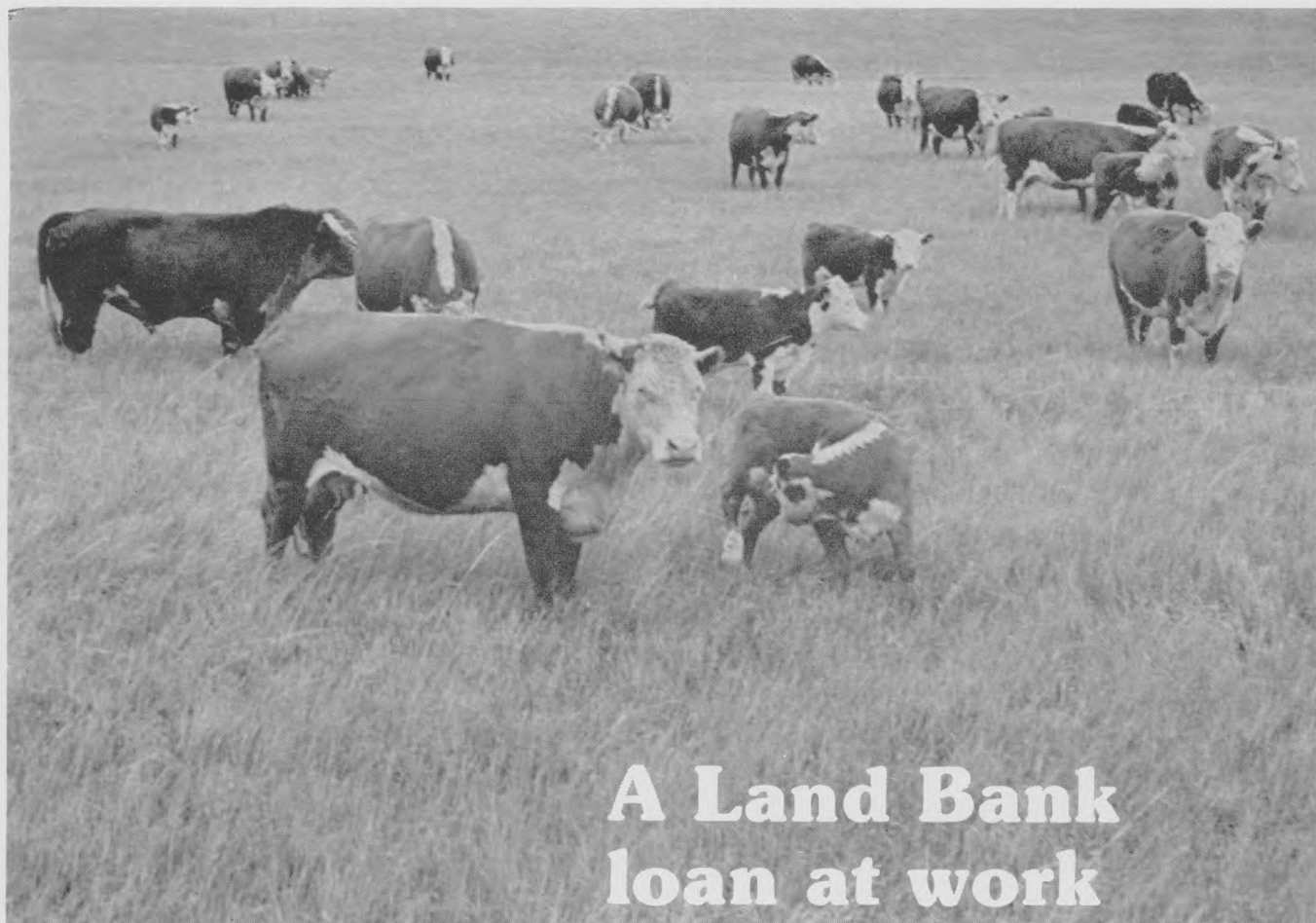
age. Government regulation and intervention appeared to have smoothed out the cycles of boom and bust, and the abuses of unfettered capitalism were a thing of the past.

That being the case, what has happened in the past 10 years to raise so many doubts about the economic system that has played a major role in our survival as a free nation?

To begin with, many people today doubt whether capitalism can deal effectively with the twin problems of inflation and recession. As we emerge from the nation's worst recession since the 1930s, few economists today are talking about our ability to "fine tune" the economy. The simple truth is that we don't know how to wipe out inflation except with a recession. Yet recession hurts those who are least able to defend themselves. And so we work to stimulate the economy to bring it out of a recession, thereby sowing the seeds for a new bout of inflation.

The solution to this dilemma calls for a careful balance between monetary and fiscal policies. But because changes in economic policy usually take some time to work their way through the economy, they may have to be made before their need is recognized by most of the electorate. For example, at some point in the current recovery, it may be necessary for the federal government to switch to a restrictive policy—even while unemployment remains high, inflation is slowing down and the voters see no need for restraint. Given the fact that 1976 is a presidential election year, our government leaders will need an

This article is based on remarks made by Mr. Duwe at the Southwestern Graduate School of Banking, Dallas, recently. Mr. Duwe is chairman and president, Farmers State, Lucas, Kan.



A Land Bank loan at work

Since the early 1880's, when the buildup in cattle numbers on the Great Plains was followed by a disastrous drop in prices, cattlemen have been plagued with cyclical periods of low prices. Price cycles, like drought and disease, have become a part of the business. But the American beef industry has remained strong and resilient despite the setbacks. It will weather the current economic storm, just as it has weathered others. And when it emerges from the storm, it will have more strength and more importance . . . and it will be more rewarding . . . than ever.

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builds long-term confidence for
Land Bank borrowers in Kansas,
Oklahoma, Colorado and New Mexico.**



WICHITA, KANS.

unusual blend of perception, courage and persuasive ability to follow this course of action. No one ever said democracy was easy.

Indeed, it is precisely this threat of inflation that is most likely to convince Americans of the merits of an authoritarian system. Such a system would fix prices, production and employment by fiat—and it would brook no argument. Given this bleak alternative, it's encouraging to see that the polls show most Americans adamantly opposed to any return of wage and price controls—at least for the immediate future.

In addition to the problem of inflation and recession, the free enterprise system is being attacked for its failure to foresee and meet anything more than immediate needs. For example, in the area of environmental protection, we failed to see the threat that pollution posed to the environment and indeed, to human life. Not that the socialist nations did any better. The point is that the need to clean up the environment was not expressed through the market mechanism, and American enterprise therefore did very little in the way of pollution control until it was required by law. And now the cleaning-up process is hampering economic growth.

Our current energy situation is an

even better example of where the free enterprise system failed to foresee long-range trends. For years, our society has squandered energy because it was cheap. We built office buildings with windows that did not open. We built a nationwide highway system and allowed our railroads and trolley systems to disintegrate. And we built automobiles with air-conditioning, automatic transmissions—and the ability to get about eight miles to the gallon.

The Arab oil embargo two years ago showed us the error of our ways. Of course, this was a politically induced crisis for which the free market cannot be blamed. But the fact remains that some oil companies had been warning American industry of a coming energy squeeze for years. Their warnings were not taken seriously because they were not reflected in the price of oil. The market's price signals were giving our industries the wrong guidance on energy use, conservation and development. And we are now paying for that lack of foresight.

These are some of the criticisms that are being leveled at the free enterprise system today. But all is not unrelieved gloom. In fact, some of the signals now emanating from Washington and the news media are decidedly optimistic.

As the nation begins its climb out of recession, there seems to be a new appreciation of what the free enterprise system can and cannot do.

Political columnist David Broder attributes this remarkable occurrence to what he calls "the dominant conservatism of the public mood." He believes that Congress is beginning to understand "how little public support there really is for programs that involve increased government intervention in the economy or promise only marginal benefits in relation to their cost."

If Mr. Broder has read the public mood accurately, that would indeed be cause for celebration. Yet I fear it may be too soon to break out the champagne. The public may in fact have become disillusioned with government's ability to cope with economic problems. But that does not mean it is any less unhappy with what it sees as major problems in the free enterprise system.

Dissatisfied Youth

Nowhere is this dissatisfaction with capitalism more apparent than among the young. Two years ago, Oklahoma Christian College commissioned Dr. George Gallup to do a survey of student attitudes toward a variety of things, including business and the free enterprise system. The results of that survey were based upon a random sample of 904 students in 57 colleges and universities across the nation. And they are not encouraging for American business.

Students were first asked to rank the honesty and ethical standards of people in various fields. Business finished ninth, behind medicine, engineering, journalism, labor unions—and just ahead of politics. About 65% of the graduating seniors said they believed government should place stricter controls on business, but only 55% thought labor unions also needed stronger government regulation.

The students did oppose government ownership of the banking, automobile and telephone industries. But 49% of them favored nationalizing the oil industry.

For some reason, however, banks seem to be exempt from much of this dissatisfaction. Last November, for example, the Roper Organization asked a national sample of adult Americans how satisfied they were with the services provided by various professions and industries. Doctors and dentists were on the list; so were radio and television stations, hospitals, food and clothing stores and newspapers. All told, 16 types of services were listed.

Banking came out on top of this list. About 58% of the people interviewed

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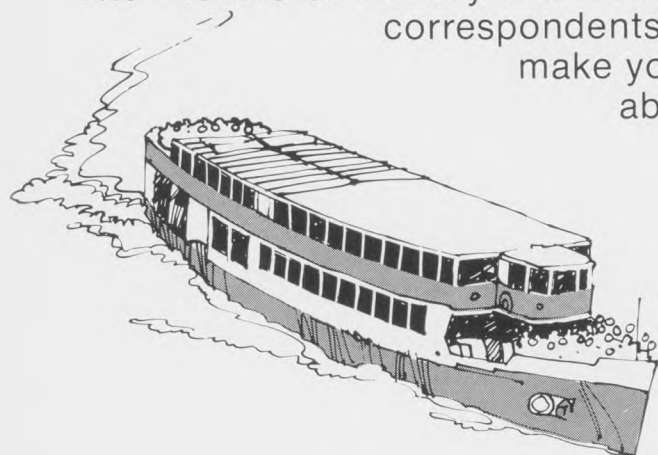
"That Wonderful Town"

Towering skyscrapers, Broadway theaters and Times Square form a glittering backdrop for the site of this year's American Bankers Association Convention in October.

The Movers at Fidelity Bank look forward to being with all of our correspondents and friends in this exciting city. To

make your stay at the Convention an enjoyable one, Fidelity has planned an evening yacht cruise of the Hudson

River and Manhattan Island. We hope you'll be our guest and join us this autumn in New York.



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"New York and I have this love/hate thing."



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I know I'll work too hard, that I'll crowd as much New York as I can into just one week, stay up half the night, every night, go home exhausted, and love every second of it.

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were very well satisfied with banking services, and 29% were reasonably well satisfied.

But that doesn't give us a license to sit back and do nothing while the rest of American business comes under fire. For sooner or later, the economic illiteracy I have just described will make its impact felt on banking. It is already beginning to happen. Congressional proposals for government credit allocation are the first sign. I believe it is no exaggeration to say that the fundamental lack of economic understanding evidenced by these proposals poses the greatest danger to the future of the free enterprise system we have yet seen.

It is up to us to do something about it.

Business must do a better job of telling people how the free enterprise system operates and how they fit into it. And we must use every tool at our disposal—articles in newspapers and magazines, appearances on talk shows, programs in local schools, support for the councils on economic education.

There's no reason that this education program should be a difficult undertaking—providing it is backed up by the performance of American business. For the greatest strength of capitalism is that it is based on a realistic assessment of human nature and most people have little difficulty recognizing its merits. Adam Smith said it best: "It is not from the benevolence of the butcher, the brewer, or the banker, that we expect our dinner, but from their regard to their own interest." The best defense and explanation of the free enterprise system is that it works. And this fact has been demonstrated over and over again, much to the chagrin of its critics.

I am convinced that free enterprise will not disappear from the face of the earth. It is based on such a fundamental characteristic of human nature that I'm certain it will continue to crop up in a hundred different forms, no matter how many times we try to stamp it out. I am concerned, however, that in our efforts to gain economic security and in our ignorance of the workings of the free enterprise system, we may irreparably damage the health of American business—that marvelous machine that has produced the bounty this nation enjoys. We cannot allow that to happen. Through our improved performance and our information efforts, the American public *must* regain respect for American free enterprise.

It is not an easy task. But it is one we must accomplish for our own sake and for the sake of our descendants who will live through the next 200 years. • •



We'll see you in Manhattan!

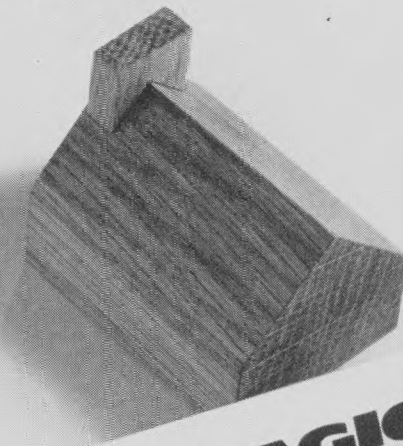
We'll soon be on our way to help the ABA celebrate its centennial. Crosby Kemper, Jerry Scott, Ed Huwaldt, John Kramer, Bud Cox, Don Thomason, E. L. Burch, Tom Wood, Mike Fleming, and Fritz Krohmer—all look forward to greeting our colleagues from over a thousand correspondent banks we serve. The ABA convention is a great place to see familiar faces, a great time to meet new ones, and a good opportunity to leave our mark as Middle America's most corresponsable bank.

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MAGIC

MGIC'S SYSTEM FOR GOVERNMENT PROGRAMS



MAGIC

Webster's Definition

mag-i-cus (maj'i-kus), *adj.* [L. *magicus*;
Gr. *magikos*], producing extraordinary re-
sults, as if by magic or supernatural means.

MORTGAGE GUARANTY INSURANCE CORPORATI

MGIC'S SYSTEM FOR GOV

The "word" is out. Our System for FNMA and government programs is in with thousands of lenders.



Rod Reppe,
MGIC Sales Director,
explains how
MAGICUS is helping
lenders simplify
procedures and
achieve greater
profits using FNMA
and government
programs.

The "word," MAGICUS,
how do you say it and
what does it mean?

"According to Webster, it's pronounced "maj'-i-kus" and means the ability to produce extraordinary results. But no matter how you say it, it's the meaning that counts. The System is already helping thousands of FNMA, FHLMC, and GNMA program users, and it can produce extraordinary results for you, too."

What do you mean by
"extraordinary results"?

"Simply more profit, less fuss for your company. To begin with, our Loan Processors' Kit is recognized by experienced and new FNMA and government users as a valuable educational tool

to help shorten personnel learning time. It also reduces paperwork and substantially cuts costs by reducing loan rejection rates.

"In fact, our underwriting department tells me that the double check service performed for our customers has revealed that 60 to 70% of the loans reviewed have failed to meet FHLMC matrix requirements. The most common failings are incomplete information, and the inability of the borrower to meet 25% payment and 33% total obligation ratios."

What about the new
plans and conversion
privileges?

"All of the elements in the MAGICUS System are proving to be very helpful. Our special FNMA and government program plans make coverage selection simple. Yet the conversion privilege on standard plans lets every lender keep his options open. He can enjoy higher and more prudent standard coverage on any loan today, yet convert to lower-cost FNMA and government minimums later if he decides to include that loan in any government package. And with the higher standard coverage, he will enjoy greater acceptance of the loan should he decide to sell in the conventional secondary market."

Can you report any additional hard facts on lender response?

"Since our announcement,

over 3,000 institutions have requested the use of one or more elements in the MAGICUS System. Nearly 10,000 guide kits have been made available to loan processors. In Florida several institutions asked us to conduct a special FHLMC, FNMA, GNMA seminar for their loan people—and even paid a nominal fee to attend. Every day we are receiving phone calls and letters requesting additional advice and counsel on FNMA, FHLMC, or GNMA deals."

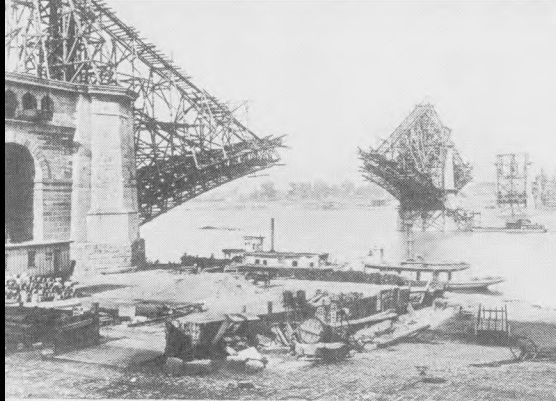
What can an institution do to obtain help in its own shop?

"Simply call the MGIC representative. Today our men in the field are being called "FNMA and government loan experts." They will be happy to work with any mortgage officer and his staff of loan processors. Our goal is to continue the MGIC tradition of taking the lead in rendering the highest degree of professional service to the industry."

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For More People

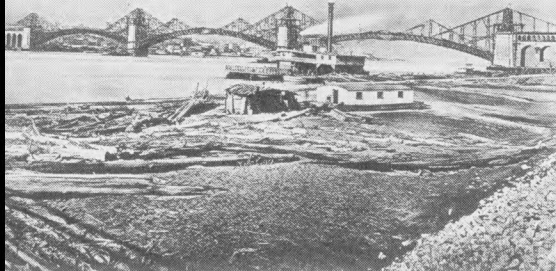
Mortgage Guaranty Insurance Corporation
A Subsidiary of MGIC Investment Corp.
MGIC Plaza, Milwaukee, WI 53201



TOP: This clip from ABA's centennial film shows Eads Bridge over Mississippi at St. Louis as it looked long before being completed in 1874.

CENTER: In this film clip, Eads Bridge is nearing completion. Paddlewheeler in foreground was soon to become thing of past since new bridge was to bring railroad, as well as vehicular traffic, across river and connect eastern and western sections of country.

BOTTOM: This film clip shows Eads Bridge soon after it was completed. It featured first major steel construction in world. Even today, bridge draws admirers from everywhere to marvel at its design and longevity.



**Eads Bridge, St. Louis,
Featured in ABA Film
Tying in With Centennial**

The 30-minute, 16mm color film produced for the ABA's centennial will include a segment that should prove interesting to Mid-Continent-area bankers, particularly those in the St. Louis area. According to an ABA spokesman, a key story in the film is about the building of the Eads Bridge across the Mississippi between Missouri and Illinois. It connects St. Louis with East St. Louis in the latter state. The film is called "A Lifetime Account—the Story of Banking" and was produced by West Glen Communications, New York City.

As the film narrative points out, "Railroads had crossed the nation, but all tracks stopped at the Mississippi,

so wild and wide a river that all attempts to bridge it had failed. Fascinated by the engineering challenge, (James) Eads designed a bridge and financed it with his own Bank of Missouri.

"This would be the largest bridge ever built . . . and the first major steel construction in the world. In fact, the bridge was a series of firsts, from its new metal alloys to its cantilevered superstructure. And they were all expensive. When the cost reached \$7 million, Mr. Eads' bank faltered. But in July, 1874, spellbound crowds watched 14 50-ton locomotives chug on to the central span."

The bridge has withstood floods, runaway barges and other types of catastrophes and still stands today as an outstanding engineering feat.

The film will be released early in October to coincide with the ABA's centennial convention. The association's order processing department will begin filling requests as early in October as possible. ABA-member banks automatically will receive complete sales information on the film prior to its release.

Modern Talking Picture Service's nationwide offices will have prints available for free-loan bookings starting early in November. Bankers interested should write to its headquarters at 2323 New Hyde Park Road, New Hyde Park, NY 11040, or contact any of its more than 25 regional libraries. The number of prints is limited.

ABA Centennial

(Continued from page 47)

vention. The film, made up of a combination of slides, original historical film footage and on-location re-enactments, depicts banking's contributions to the nation's development and expansion. The ABA said it will be appropriate for public TV and school use as well as for general audience viewing.

Mr. McPeters said the 30-minute, 16 mm color film was produced by West Glen Communications, New York City. Its progress was reviewed by Gordon H. Weber, president, Farmers State, Lisbon, N. D., and Dr. Charles Haywood, dean, College of Business and Economics, University of Kentucky. Dr. Haywood is historical consultant for all three of the ABA's major centennial projects.

In addition to Mr. McPeters, the ABA Centennial Commission has the following members: Norville R. Gish, senior vice president, First National Charter Corp., Kansas City; Mrs. Marcella D. Perry, chairman, First Pasadena State, Houston; B. Finley Vinson, chairman, First National, Little Rock; M. A. Cancelliere, chairman, Equibank,

Banking Honored With Commemorative Stamp



These twin stamps honoring banking and commerce will be issued by the U. S. Postal Service Corp. October 6 during the ABA's centennial convention in New York City. First sets of the multicolored commemorative stamps will be presented to ABA officers by Postmaster General Benjamin F. Bailar at the convention's opening session. The stamps, souvenir commemorative panels and official ABA first-day covers then will go on sale in a temporary post office to be set up in the convention exhibits area. The stamps will be available there through the close of the convention October 8 and will carry the then-current first-class denomination.

MID-CONTINENT BANKER for September, 1975

Her friends know Helen Miller as a polished performer in the kitchen.



But it's as a Correspondent Banker that she really shines.

As our Operations Officer, Helen Miller coordinates the activities of Third National's far-ranging correspondent bankers as they service more than 360 customers in five states. It's no easy job, but Helen brings to it her own special mix of ingredients: a world of experience, an abundance of energy, and a

generous helping of Southern charm.

Whatever your correspondent banking need, call Helen Miller and ask her to put you in touch with the Third National professional who serves your area. Our Tennessee WATS line is 1-800-342-8360. In neighboring states, dial 1-800-251-8516.

We're here to help you.

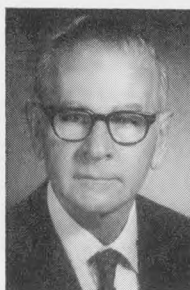
THIRD NATIONAL BANK
IN NASHVILLE Member F.D.I.C.

Making things happen for you.

Pittsburgh; R. M. Eberhardt, president, Bank of Stockton, Calif.; Harry Gatton, executive vice president, North Carolina Bankers Association, Raleigh; Thomas S. Moon, president, Affiliated Bankshares of Colorado, Inc., Boulder; William W. Phillip, president, Puget Sound National, Tacoma, Wash.; Lester E. Thayer, executive manager, Oregon Bankers Association, Portland; and Gerald E. Warren, vice president, National Bank of Detroit. • •

Candidate for Pres.-Elect

Arthur Achille "Bud" Milligan, pres. & ch., Bank of A. Levy, Oxnard, Calif., is the candidate for ABA president in 1976. He joined his bank in 1940, took time out to serve in the Navy, rose through the ranks to pres. & ch. in 1955. He is a former pres., California Bankers Assn., and Independent Bankers Assn. of Southern California.



ABA Convention

(Continued from page 46)

Saturday through Tuesday.

Five management seminars will be conducted by leading management development specialists. Topics will include management of time, managing by objectives and for results, communication in management effectiveness and team building and management development.

These forums and the Menninger sessions are part of a three-track format that will be used during the convention. This format includes: (1) general sessions designed for 4,000-5,000 delegates, with prominent speakers from banking, business and government; (2) forums designed for 500-2,000 persons, to focus on such themes as regulation and the public interest and EFTS and community banking; and (3) special-

interest sessions designed for discussion groups of 50 to 200 persons.

About 42 of these special-interest sessions are scheduled. They will provide bankers with an opportunity to discuss such timely subjects as the debit/credit card, affirmative-action programs, automated tellers and the agricultural-lending outlook. Session topics were chosen as a result of a survey of bankers across the country who were asked what subjects would interest them. The sessions will be held from the opening of the convention Saturday morning through Wednesday morning.

During this year's convention, Stonier Graduate School of Banking (SGSB) will celebrate its 40th anniversary at special reunion ceremonies for SGSB graduates on October 4. The graduates will gather at the Americana Hotel for a reception and program that will include awards and multimedia presenta-

tions of past SGSB classes and memorable social activities.

ABA Officers. George L. Whyel, ABA president the past year, will become chairman of the ABA Governing Council, succeeding Rex J. Morthland, chairman and chief executive officer, Peoples Bank, Selma, Ala. J. Rex Duwe, chairman and president, Farmers State, Lucas, Kan., will advance from ABA president-elect to president during the convention. W. Liddon McPeters, president, Security Bank, Corinth, Miss., is scheduled to succeed Mr. Duwe as president-elect. Mr. McPeters also is chairman of the ABA Centennial Commission, which has planned all aspects of the association's 100th-anniversary celebration. The incoming ABA treasurer is Roger A. Lyon, executive vice president, Chase Manhattan, New York City. He will succeed J. Grant Bickmore, president, Idaho Bank, Pocatello. Willis W. Alexander continues as ABA executive vice president. • •

Investments Workshop Set

A regional bank investments workshop has been scheduled by the ABA's Bank Investments Division for the Galt House, Louisville, October 20-22.

The workshop is designed for experienced investment officers of banks with \$50 million and under in asset size. Attendance will be limited to 200 bankers from six states, including Illinois, Indiana, Kentucky, Missouri, Tennessee and Ohio.

ABA Salutes Bicentennial With Co-Sponsorship of 'Today's' Friday Shows

THE ABA, in addition to saluting its town centennial, is paying tribute to the nation's bicentennial by co-sponsoring special Friday morning telecasts of the NBC Television Network's "Today" show. The program's bicentennial series, which began July 4 with a tribute to the District of Columbia, will continue every Friday for 52 weeks.

Each state will be the subject of the two-hour "Today" program during the year preceding the nation's 200th anniversary. There also will be a single telecast covering U. S. territories.

The 50 states are being saluted in the reverse order of their admission to the Union, beginning with Alaska and Hawaii and concluding with the 13 original colonies. The final program on Friday, July 2, 1976, will spotlight Philadelphia, the center of bicentennial activity.

As each state is saluted, the physical features and public events that make it unique are described through on-the-spot TV camera reporting. Barbara Walters and Jim Hartz, cohosts of the "Today" show, travel to on-location spots for interviews with well-versed and interesting people from the featured state. Interviews with public officials, live from Washington, D. C., or the state's capital, profile that state's economy, current problems and uniqueness.

The special programs—recommended by the National Education Association—are said to provide a rich and varied history of the United States.

The first Mid-Continent-area state to be honored was New Mexico on September 5. The telecast schedule for the other 12 states in Mid-Continent Banker's territory is: *Kansas*, Oc-

tober 3; *Oklahoma*, November 28; *Illinois*, December 5; *Indiana*, December 19; *Arkansas*, January 16; *Missouri*, January 23; *Texas*, January 30; *Mississippi*, February 6; *Alabama*, February 13; *Louisiana*, February 27; *Tennessee*, March 5; and *Kentucky*, March 12.

During the year-long American bicentennial celebration, the ABA has keyed its advertising to programs of special interest on the history and unique qualities of this country. Besides the "Today" show specials, the ABA is co-sponsor of a six-part series of hour-long programs based on Carl Sandburg's biography of Abraham Lincoln. Prepared for TV, the ABA commercial announcements carry the theme, "America's Bankers—Helping You Change Things for the Better." • •

**To be a going, growing airline,
you've got to keep doing things
better. That's why you'll like
what's new on Ozark Air Lines.**

More jets. More nonstop flights.
Colorful new interiors. More
legroom, more comfort, better
looks. Our meals? Ask an Ozark
passenger about our new
International Flair dinners. Or our
wine-and-cheese baskets. Fly
on Ozark Air Lines; you'll see.
We're going all out to give you the
kind of flight you're looking for. Which
is one good reason we're one of
America's fastest-growing airlines.



**PLEASING
YOU MORE:
we're big on that**

Call your travel agent or

OZARK  AIR LINES



HELP YOUR EMPLOYEES BECOME VISIBLE ASSETS FOR YOUR BUSINESS.

**Career Apparel of Dacron® can create a strong, favorable image
with your customers... and build employee morale as well!**

Transform your employees into valuable public-relations assets, projecting exactly the image you want your customers to see. And, at the same time, it builds employees into a team.

The right Career Apparel has a fashion look as modern as your company's. But it's also practical and hard-working, because it's made with long-wearing, easy-care Dacron* polyester.

Now where can you find Career Apparel like this? DuPont's Career Apparel specialists will help you decide what you need and give you names of manufacturers who make the "tailored-look" coordinates you want. Just contact Du Pont Co., Textile Fibers Div., Career Apparel, Suite 31J6, Centre Road Bldg., Wilmington, Del. 19898.

DUPONT
Dacron
POLYESTER

*Du Pont registered trademark.

BG/2



Georgetown...by Salem

Catch the spirit of our heritage in these Bicentennial years... Georgetown Stoneware, the newest addition to the Salem collection of fine products. Georgetown is so appropriate in today's more casual style of living and entertaining...authentically designed with an early American feel.

Georgetown and all Salem products are part of complete programs for generating new customers and new deposits. They include a complete support package: displays and

advertising materials, direct mail pieces, internal control and report forms, personnel training, market exclusivity, successful track records, and return privilege of unused merchandise.

Write for more information:

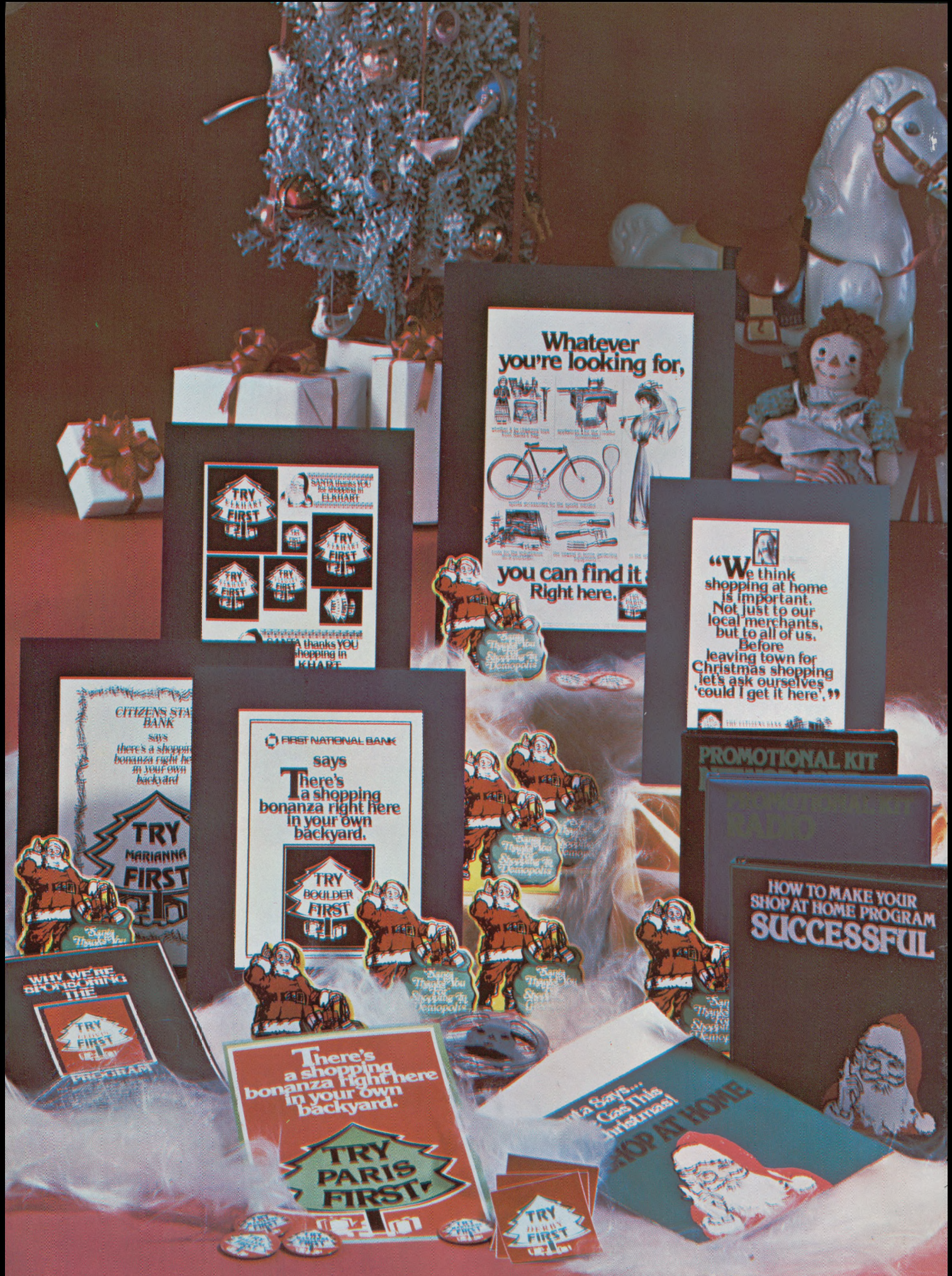
SALEM CHINA COMPANY
South Broadway Extension
Salem, Ohio 44460

Better yet, phone:

(216) 332-4655



BG/3



Whatever you're looking for, you can find it Right here.

"We think shopping at home is important. Not just to our local merchants, but to all of us. Before leaving town for Christmas shopping let's ask ourselves 'could I get it here.'"

TRY FIRST

FIRST NATIONAL BANK says There's a shopping bonanza right here in your own backyard.

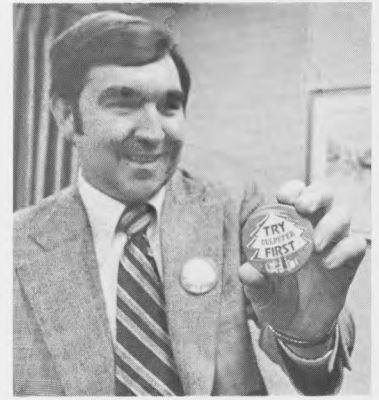
CITIZENS STATE BANK says there's a shopping bonanza right here in your own backyard.

HOW TO MAKE YOUR SHOP AT HOME PROGRAM SUCCESSFUL

TRY PARIS FIRST

WHY WE'RE SPONSORING THE TRY FIRST PROGRAM

Try Culpeper First was undoubtedly the most successful marketing effort we've ever tried. The real bonus was the low cost."



Burton Stacy, President
The New Bank of Culpeper

When Burton Stacy heard about the "Try (Your Town) First" program, he knew it was a natural for Culpeper. Located within a very short driving distance of Richmond and Washington, D.C., Culpeper merchants suffered every year, when local residents did much of their Christmas shopping in the nearby large cities. Things changed last year. The bank sponsored the "Try Culpeper First" program, a tested, proven program for keeping local shoppers at home at Christmastime. This copyrighted program enabled the bank to provide each merchant in Culpeper with a means to promote hometown shopping within his store, in the local newspaper, and on the area radio stations. The bank provided everything. It was a marketing masterstroke. The local newspaper commended the bank in an editorial. Letters to the editor praised the community spirit of the bank. Both the radio station and the local newspaper provided free press coverage. And the local merchants loved it. The bank was helping put money in their pockets.

Says Burton Stacy, "We not only gained their goodwill, but a part of their business."

HOW YOU CAN SPONSOR THE "TRY (Your Town) FIRST" PROGRAM

When you sponsor the "Try (Your Town) First" program, you'll find that several things will happen:

You'll keep needed dollars at home *and in your bank*.

Your bank will be a hero to local merchants, and will probably pick up new commercial accounts.

You'll have an officer call program that works.

You'll receive free publicity in an amount that will surprise you.

THE SECRET IS TOTAL COORDINATION

We know, of course, that encouraging people to "shop at home" is nothing new. Your Chamber of Commerce has tried. Or the downtown merchants association. Maybe your bank has even made a stab at it.

And that's precisely why we've put it all together. In the course of working with nearly 300 communities on this program, we've learned what makes a shop at home program go. It takes colorful quality materials, for one. The kind that every merchant is proud

to display (and the kind of quality materials that only volume buying makes possible). Most important, it takes *total coordination*. That's why we provide you with material for all media. You'll give every merchant a kit which includes posters for his window, counter cards for display shelves, buttons for his employees, vinyl stickers for his front door.

Then you make it possible for every merchant to push the "Try (Your Town) First" program in his adver-

tising. He may include the program logo in all his regular newspaper ads. And he can have the local radio station record his regular radio spots on top of the customized, "Try (Your Town) First" jingle. Your merchants will appreciate that kind of effort.

But we want to bring the general public into the act, too. And we want them to realize who's making it all possible — YOU!

So we provide you with a press release for your local newspaper. Generally, the newspaper will run a front page article about your sponsorship of the program...along with a photo of one of your bank officers pinning a button on a local merchant's lapel. We also provide you with newspaper ads that announce the program, and your reasons for sponsoring it, to the general public. And don't forget the radio spots. Posters for your bank lobby. And a complete operations manual, so that you can take advantage of the many successful ideas for implementing the program that have been generated by participating banks.

Total coordination. It makes the difference between success and failure. *Your program will be a success.*

BUT DOES IT REALLY KEEP DOLLARS AT HOME?

Ask Milton Dean about that. Milton bought the program for the Eufaula Bank and Trust Company mainly as a public relations effort. Then he saw what it could do in dollars and cents for Eufaula and for his bank. The sales tax figures told it all:

JANUARY 1971	\$17,201.85
JANUARY 1972	\$18,992.10
JANUARY 1973	\$18,525.28
JANUARY 1974	\$26,565.34

What did the big jump in Christmas season sales represent? Since sales taxes in Eufaula are 1% of sales, that meant that the year the "Try Eufaula First" program was introduced, *an extra \$800,000 was kept at home*. The program was successful in causing Eufaula residents to think about shopping at home. Before heading out of town to do their Christmas shopping they tried Eufaula first.

In McHenry, Illinois, the McHenry State Bank reports, "We had several people comment that they did as much as 90% of their shopping in town this year. In other years, they had done as little as 20% to 40%."

Goodwill among merchants. New commercial accounts. Favorable public reaction. Extra dollars staying in town. These are the things you can expect from the "Try (Your Town) First" program.

And you and your bank will be the hero.

**TIME IS RUNNING SHORT
CALL COLLECT NOW
(615) 327-0173**



MADISON AVENUE ASSOCIATES, INC.

2305 ELLISTON PLACE NASHVILLE, TENNESSEE 37203

There Is More To Running An Insurance Company Than Meets The Eye

“Common Sense Is Not So Common”

(and Voltaire didn't even know about the problems of starting insurance operations) but at Old Republic we do. We have an uncommon sense about how to avoid pitfalls, serve customers well and achieve a sound operation quickly. It is based on 50 years of helping others get into the insurance business—hundreds of consumer finance companies, retailers and other consumer-oriented companies—and 50 years of managing our own life and casualty operations successfully.

Old Republic Areas of participation with Banks

Feasibility studies including pro-forma operation statements for bank holding company life and disability insurance subsidiaries.

All insurance coverages permitted in Regulation Y including:

- Consumer loan Credit life and disability
- Agricultural Credit life and disability
- Mortgage life and disability
- Fire, extended coverage and homeowners
- Credit guaranty
- Mobile home coverages
- Leasing
- Crop Hail
- Automobile coverages
- Trust Department—Employee and Pension Plan Coverages
- Maturity value savings plan insurance
- Usual bank holding company coverages
- Commercial Loans

PARTNERSHIP FOR PROFITS

OLD REPUBLIC

international corporation

INGENUITY IN INSURANCE

\$6.1 billion life insurance in force

\$212 million consolidated assets

For more information, please contact
William R. Stover, President
Old Republic Life Insurance Co.
307 N. Michigan Avenue, Chicago, Ill. 60601
312-346-8100

LEARN ALL ABOUT THE THREE NEW WAYS TO GAIN MORE LONG-LASTING DEPOSITS FOR YOUR INSTITUTION...

FIRST are IRA's and HR-10 plans — tax-sheltered accounts that let *individuals* put away \$1,500 or \$7,500 respectively each year . . . deduct their deposits for income tax purposes . . . and pay no tax on the interest that builds up.

An estimated 8 million people will deposit \$12.8 billion in such accounts this year.

SECOND are deposit based retirement plans for any business: *employer-sponsored* IRA's, HR-10 accounts, and prototype plans for small corporations. In today's uncertain investment climate, such plans, with their "guaranteed" returns and no fees, have a significant appeal.

An estimated 300,000 firms will put aside another \$12 billion in such accounts every year.

THIRD, there's the telephone cash transfer account — the plan that lets customers transfer

funds from savings to checking accounts by simply making a phone call. These are guaranteed to mushroom — particularly when commercial banks get approval to accept savings deposits from small businesses.

It's estimated that nearly 700,000 small businesses plus an additional 11 million individuals, could keep up to \$57 billion a year in new accounts like these!

How can you get your fair market share of these accounts . . . ? How should they be set up . . . ? What are the operational problems . . . ? How should they be marketed? You can get the answers to these and other questions at our three-day sessions on these new ways to build deposits. Use the coupon below to register, or to request further information.

REGISTER NOW for sessions to be held in: NEW YORK October 28-30 CHICAGO November 5-7

First day to cover retirement plans for individuals. Second day to cover plans for businesses. Third day to cover telephone cash transfer accounts.

TUITION: \$95.00 for one day, \$175.00 for two days, \$250.00 for three days. All other expenses to be borne by participant. Registrations are transferrable. Complete details on hotel accommodations to be furnished on receipt of registration form. Space will be limited, so act now to be sure of getting a place.

**Kennedy
Sinclair**
INC.

524 Hamburg Turnpike, Wayne, New Jersey 07470 (201) 345-2000

Please register the following for your session to be held in _____

We'll be attending for

Day 1 Day 2 Day 3

We aren't ready to register yet, but please send us further information on your program.

Name and Title _____

Institution _____

Address _____

City _____ State _____ Zip _____

Direct Deposit of Social Security: How Big Is the Market? What Are the Opportunities?

NOW THAT direct deposit of social security checks can be offered by financial institutions across the nation, will this service bring in new business to banks and S&Ls? What are the marketing opportunities?

As shown in the chart on this page, there are about 26 million persons getting approximately \$5 billion in social security payments throughout the country. The greatest number—2.4 million receiving \$477.8 million—live in California, while Alaska has the smallest number of SS recipients—12,798 receiving \$2.6 million.

Granted, this market may not be a big one. The direct-deposit program is entirely voluntary on the part of financial institutions and social security recipients, but most banks and S&Ls will want to participate. Banks offering the program may not gain a great deal of new business as a result, but they certainly could lose business (or good will) by not offering direct deposit of social security checks. In addition, direct deposit of these checks is the first

of several direct-deposit programs planned by the Treasury Department. The system later will be extended to civil service, railroad retirement, veterans' and other payments. Thus, by taking part in social security direct deposit, banks and S&Ls will gain experience that will be helpful when the other payment programs go on a direct-deposit basis.

Before going nationwide with direct deposit this summer and fall, the Treasury Department tested the direct deposit of social security checks in two pilot programs—one in Georgia that began last November and the other in Florida, beginning last April.

As of July, 1975, a report from a Treasury official indicated these results were achieved in Georgia and Florida since initiation of the pilot programs in those two states:

- *In Georgia*, out of approximately 550,000 beneficiaries, banks and S&Ls had signed up 35,000 for direct deposit and were continuing to enroll newcomers at the rate of about 3,500 per

month.

- *In Florida*, out of approximately 1,350,000 beneficiaries, banks and S&Ls had signed up 220,000 and were signing up newcomers at the rate of approximately 11,350 per month.

Although somewhat disappointed in initial results, Treasury officials believe that the pilot programs in those two states will pave the way for better and quicker results as other states move into the program.

How did Florida and Georgia banks and S&Ls market their programs to social security recipients? Direct mail, newspaper advertising, statement stuffers, visits to nursing homes and talks before retiree groups. In many instances, these financial institutions found that the one-on-one approach (officer visiting with applicant) was the best way to explain and market the program.

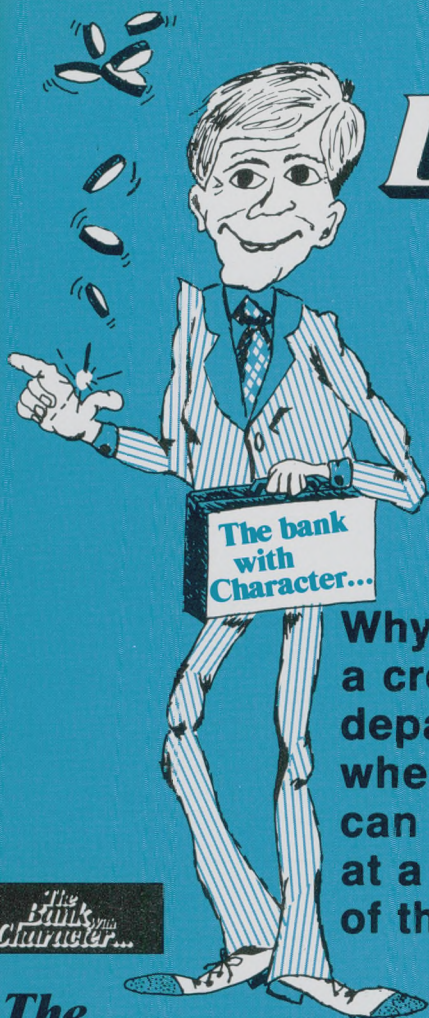
In most cases, these institutions reported low-key programs aimed at "informing" their customers, but not necessarily selling hard or spending a

Social Security Payments State by State

State	No. of Checks	Dollars (In Millions)	State	No. of Checks	Dollars (In Millions)	State	No. of Checks	Dollars (In Millions)
Alabama	471,752	\$ 94.5	Louisiana	422,444	\$ 84.5	Ohio	1,259,205	\$251.8
Alaska	12,798	2.6	Maine	153,271	30.7	Oklahoma	371,566	74.3
Arizona	252,188	50.4	Maryland	467,911	93.6	Oregon	312,157	62.4
Arkansas	322,059	64.4	Massachusetts	736,196	147.2	Pennsylvania	1,610,519	322.1
California	2,389,085	477.8	Michigan	1,050,636	210.1	Rhode Island	132,427	26.6
Colorado	238,359	47.7	Minnesota	490,289	98.1	South Carolina	318,130	63.6
Connecticut	361,980	72.4	Mississippi	317,252	63.5	South Dakota	95,835	19.2
Delaware	62,534	12.5	Missouri	679,997	135.9	Tennessee	544,036	108.8
Florida	1,342,089	268.4	Montana	91,167	18.2	Texas	1,313,498	262.7
Georgia	547,225	109.4	Nebraska	204,326	40.9	Utah	104,346	20.9
Hawaii	72,920	14.6	Nevada	52,523	10.5	Vermont	61,809	12.4
Idaho	95,462	19.1	New Hampshire	105,403	21.8	Virginia	526,413	105.3
Illinois	1,304,131	260.8	New Jersey	885,974	177.2	Washington	433,867	86.8
Indiana	639,668	127.9	New Mexico	114,382	22.9	West Virginia	284,336	56.9
Iowa	401,922	80.4	New York	2,344,353	468.9	Wisconsin	597,650	119.5
Kansas	303,100	60.6	North Carolina	650,756	130.2	Wyoming	38,660	7.7
Kentucky	457,522	91.5	North Dakota	82,699	16.5	Total	26,128,827	\$5 billion

*Approximate figures as of August, 1974, based on average SS check of \$200.

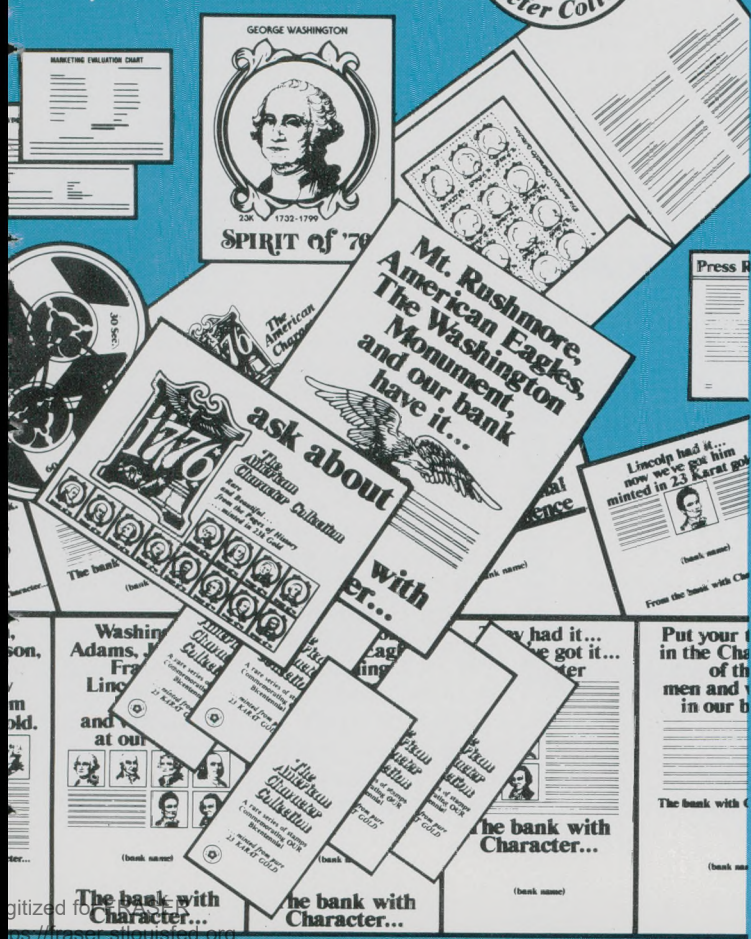
Let your advertising be as efficient as your bank...



The bank with Character...

Why buy a creative department, when you can lease one at a fraction of the cost!

The American Character Collection



Here's your opportunity to be "The Bank With Character"

The Bank With Character and "The American Character Collection" are offered exclusively to 150 banks in The United States. This program created by bankers for bankers in cooperation with the professional marketing and advertising staff at Liberty Productions. This Hard Hitting, Image Building and Effective marketing program will build deposits and your banking image.

RADIO...

15 custom tailored spots 30 and 60 seconds

NEWSPAPER...

a complete campaign—just add your logo

DIRECT MAIL...

5-color brochures for statement stuffers and passouts

TELEVISION...

optional upon request

PRESS RELEASES...

plus photos, for "The American Character Collection"

DEPOSIT RECEIPTS...

complete with theme and bank logo in 2-color

"THE AMERICAN CHARACTER COLLECTION"...

minted in 23 Karat Gold, 200 sets of this exquisitely detailed Bicentennial tribute to twelve of our founding forefathers—men with integrity who molded the character of our nation.

POINT OF PURCHASE MATERIAL...

Includes: Window Decals—2-color
Lobby Posters—22"x28" 2-color
Desk Signs—5-color
Teller and Officers Badges—2-color
Lobby Display

CUSTOMER EVALUATION MARKETING EVALUATION MEDIA EVALUATION

a complete year long program for
UNDER \$3,500!

We would be pleased to send you a FREE sample Set of our marketing material. Just complete this form.

Name _____ Title _____

Bank Name _____

Address _____

City _____ State _____ Zip _____

MAIL TO TODAY:

liberty productions, inc.

P.O. Box 1
Liberty, Missouri 64068

lot of money to penetrate a market that was not particularly large in respect to the amount of problems that would be encountered.

Whether to market SSDD accounts must be left up to individual financial institutions. In a survey made by editors of this publication of banks and S&Ls in Georgia and Florida, some of the institutions reported a great deal of marketing effort, while others did a minimum, staying with lobby signs and statement stuffers.

First National of Atlanta went all out in promoting the service. As a major part of its marketing program, the bank employed a team of retired employees, who set up meetings at retirement homes, church clubs for re-

tired people and company retirement clubs. At these meetings, the new service was described and its benefits explained. These efforts primarily were educational and of a public relations nature. There was no concerted effort to promote First National except that at those meetings, team members introduced themselves as First National representatives and explained that the bank's employees could help in filling out the 1199 authorization forms and in answering any questions. Information on the service usually was available at those meetings.

The only formal newspaper advertising was done on two Sundays preceding the beginning date of the program, November 3. Quarter-page ads

Do you want to open direct deposit accounts for Senior Citizens?

You can open hundreds of DIRECT DEPOSIT accounts for Social Security checks by reaching Senior Citizens directly at their home addresses.

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273 Columbus Avenue, Tuckahoe, N.Y. 10707

Direct-Deposit Booklets

A number of booklets on direct deposit are available from the American Bankers Association. They include:

Guideline for Direct Deposit of Social Security Checks—No. 0669—\$6.

An Introduction to the Direct Deposit of Federal Recurring Payments—No. 0675—\$3.

A Platform Officer's Guide to Direct Deposit of Social Security Checks—No. 0674—\$6.

Marketing Guidelines for the Direct Deposit of Social Security Checks—No. 2455—\$4.

The entire set of four may be ordered for \$15—No. 0680.

In addition, the ABA has put together a six-page folder, *What You Should Know About Direct Deposit of Social Security Checks*, which banks can distribute to potential direct-deposit customers. Various quantities may be ordered.

Write: Order Processing Department, American Bankers Association, 1120 Connecticut Avenue, N.W., Washington, DC 20036, or call Lois Krueger at 202-467-4119.

in local newspapers were used then.

First National described the program in brochures, which were sent out with statements and given to all tellers, who were encouraged to give one to each customer presenting a social security check for cash or deposit. Tellers also were told to refer such persons to bank personnel for full explanations.

The Atlanta bank conducted training sessions for all branch personnel to educate them on the entire SSDD program and to prepare them for any problems they may face. Written material was distributed at this time, along with case studies of possible situations. In addition, the bank made available at a central location an individual to help customers and new accounts people with problems encountered in completing the authorization forms. A separate post office box number was established for any mail (including checks) related to social security and a phone number was set up to be used for all problems and questions. The phone number was published in the bank's ads and distributed to all branch personnel.

First Federal S&L of Bradenton, Fla., reported a retention of approximately 94% of all social security money being deposited each month. This amounts to about \$70,000. The S&L's marketing program was largely a one-on-one sales effort toward existing customers and at large gatherings of retirees, where

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sales presentations were made (its county, Manatee, has a large retiree population). The S&L ran one media ad on the day social security checks were received in April, when the pilot program started in Florida. This fall, when seasonal retirees return from the North, First Federal plans a much stronger campaign to attract SSDD savers.

First National of Clearwater, Fla., doesn't believe it gained new customers from its marketing efforts—statement stuffers, ads in newspapers and in a large local condominium complex newsletter and a special lobby table manned by two marketing department employees. However, it reported gaining automatic deposits of checks other than social security (pensions, annuities, dividends, etc.). Additional employees were hired to carry the increased workload created in the mail-in department. In one month alone, the number of new direct-deposit customers was increased by 650 persons.

First Bank of Boca Raton, Fla., found out what its social security market was by contacting the Social Security Administration in Washington. The latter advised the bank that about 10,000 persons were receiving social security or supplemental security income (SSI) payments in its trade area, which is fairly well limited to one zip code number. The bank spent \$1,500 in marketing its SSDD program and reported a 6% increase in new checking accounts as a result.

Florida Federal S&L of St. Petersburg mounted a direct-mail promotion that produced a 15% to 20% response in beneficiaries—1,900 participants—signing up for the SSDD program as of the end of June.

First Federal S&L of Augusta, Ga., contacted potential SSDD customers personally or by mail after determining that about 600 social security checks a month were being cashed, deposited or paid on home loans at the S&L. The S&L now is receiving about 100 SSDD checks a month totaling about \$11,000. All indications are that participants are leaving the bulk of this money in for at least a month, and the average balance for all SS accounts is \$3,800. All were original account holders with First Federal.

Financial Federal S&L in Miami Beach, Fla., signed up 1,300 beneficiaries the first month. It reportedly ran the first social security ad in the city, but didn't advertise in newspapers after that. Instead, the S&L used display booths, banners and posters in its offices to remind customers of the new service.

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Federal S&L of Orlando, Fla., signed up 300 beneficiaries. It prepared for the SSDD program by using internal records to identify SS beneficiaries. Work started four months before the Social Security Administration notified beneficiaries that direct deposit would be available.

American Federal categorized prospects into four groups: existing customers who deposited their whole checks; existing customers who deposited part of their checks; customers who cashed their entire checks and a control list of possible beneficiaries. The last group was obtained from membership lists of the S&L's savers club, from elderly customers who entered a prize drawing and from attendees at programs for senior citizen organizations. In all, the S&L identified about 4,500 prospects.

Goals were set for sales to each group: Management expected to sign up half the first group, 30% of the second group, 20% of the third group and 15% of the last group.

The S&L had trained savings counselors to make presentations at retirement homes or in lobby visits by prospects. Beneficiaries were encouraged to deposit checks in a First Americount,

DD Help for S&Ls

Slide presentations on direct deposit of social security checks are available to members of the U. S. League of Savings Associations. They are:

Direct Deposit of Social Security Payments: A Plan for Action.

Direct Deposit of Social Security Payments: A Better Way.

These slide presentations may be borrowed free of charge or purchased for \$50 from: Funds Transfer Research Department, U. S. League of Savings Associations, 111 East Wacker Drive, Chicago IL 60601.

a plastic card-statement savings account featuring telephone transfers, free money orders, free travelers checks, bill payments and pre-authorized payments.

Direct-marketing expense was minimal, an S&L officer reported, with the association running only one or two ads. Most of the effort was put into counseling with the customer about his or her needs and providing services that would fulfill these needs.

Coral Gables (Fla.) Federal S&L reported signing up 1,500 direct-deposit customers as of the second week in August, and more are coming in regularly. The S&L started six months prior to the effective date by listing all SS checks that crossed the counters in all its offices. From these 4,300 items, the S&L compiled a mailing list, which was used in a promotion one month before SSDD went into effect. This letter was accompanied by a brochure explaining the new service and was augmented with radio, TV and newspaper advertising.

In marketing SSDD, what benefits should be stressed? Perhaps a bank in Missouri, where the program is just getting underway, said it best in one of its newspaper ads. Plaza First National of West Port, a suburban St. Louis bank, listed these benefits:

- No more worry about lost or stolen checks from the mail.
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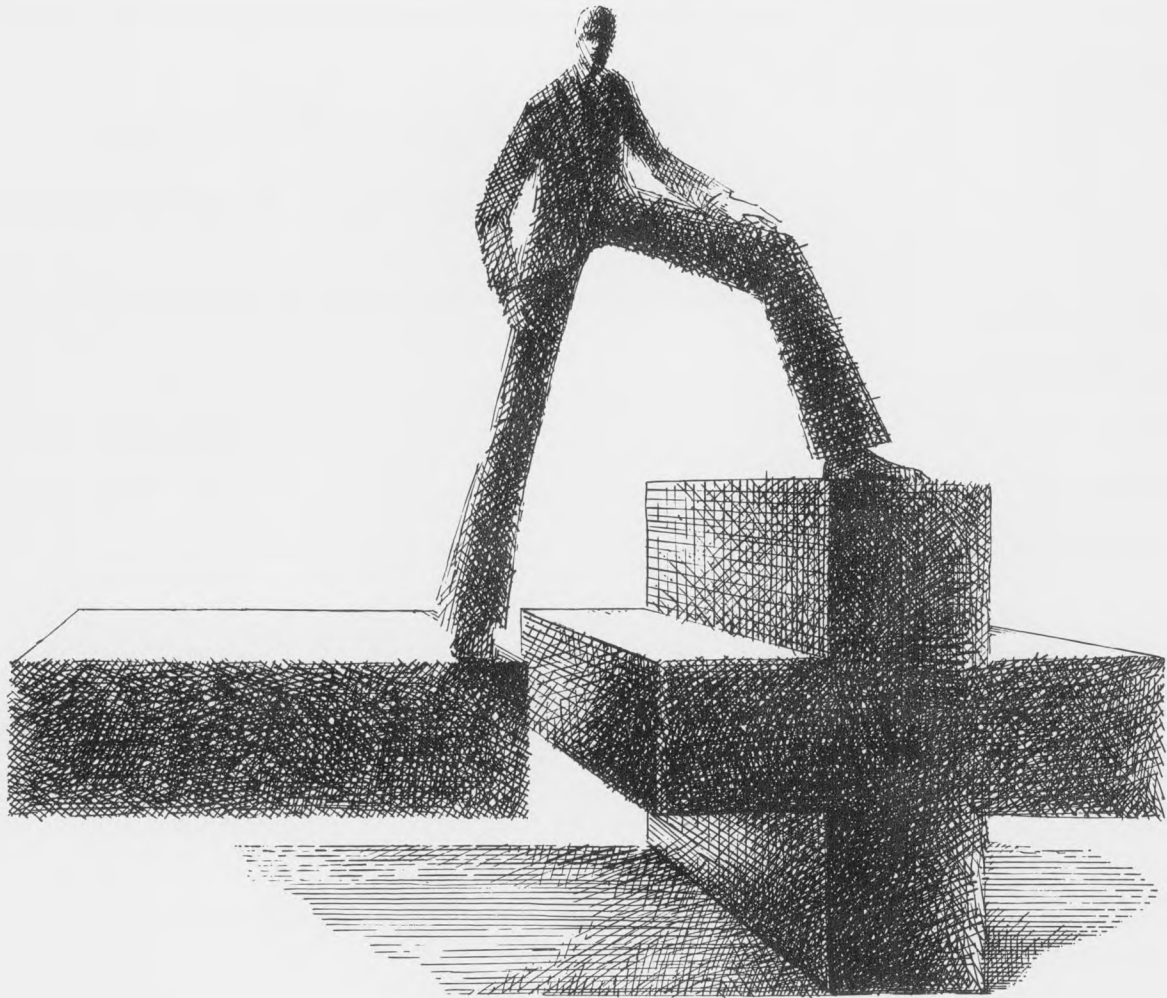
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Direct-Deposit Program: Major Problems Encountered

DIRECT DEPOSIT of social security checks, which now can be offered by financial institutions everywhere, has marketing opportunities as shown in the preceding article. However, there are problems connected with it, too, as shown in a survey made by editors of this publication among banks and S&Ls in Georgia and Florida, where direct-deposit pilot programs have been going on since November, 1974, and April, 1975, respectively.

In summary, these problems are:

- Social security checks are not available from post offices until 12:01 a.m. of day of receipt. Thus, bank and S&L personnel must come in early that day—and sometimes on weekends—to deposit checks to proper accounts on day of receipt.

- Many social security offices are slow in processing 1199 authorization forms so that checks sometimes don't start arriving at financial institutions for two, three or four months after recipients sign up for direct deposit.

- Many SS recipients call banks and S&Ls on day checks are received to make sure they did arrive and were posted to their accounts.

- Treasury has set up slow and cumbersome claim procedure for missing checks.

- When SS recipients die, financial institutions receiving their checks don't always learn of these deaths and continue to post the checks. Some sort of checkup is needed for these accounts so that checks are returned immediately to the Treasury when recipients die.

- Missent checks sometimes take a long time to be rerouted to the right financial institution.

- Authorization forms sometimes are filled out incorrectly.

- Sometimes when a husband and wife both receive social security, but only one signs up for direct deposit, the check is posted to the spouse who did *not* sign up.

- Sometimes a great number of people try to sign up at one time for direct deposits.

Where there are problems, there usually are answers, and the banks and

800-424-9340 SS 'Hot Line'

Have a question not answered in your training manual on the social security direct-deposit program? Use the Treasury Department's "hot line"—800-424-9340, a toll-free number. Trained personnel should be able to answer your question or "research" it for you.

Correspondence on the program should be directed to: Department of the Treasury, Fiscal Service, Operations Planning and Research Staff, Madison Place and Pennsylvania Avenue, N.W., Room 226, Washington, DC 20226.

S&Ls in Georgia and Florida managed to solve many of the difficulties that arose. Here's how they did it:

In order to process all SS checks by the end of banking hours on the third of each month, when these checks are received, First National of Clearwater, Fla., now pre-types the deposit tickets with the amount of previous checks. This is fine as long as there are no increases or decreases in amounts. The bank said it hopes changes in amounts can be kept to a monthly minimum of 3%. If such is the case, the bank can handle the changes without problems, but if the minimum goes up, First National said it will have to look for a better solution, at least for now. It will be getting more sophisticated computer equipment next year than it has now, and then the problem should be eliminated.

Because SS checks aren't available from the post office until 12:01 a.m. on day of receipt, First Federal S&L of Bradenton, Fla., simply brings in tellers at 6:30 a.m. to post these checks.

Because of the slowness of many social security offices in processing the 1199 authorization forms, Dade Federal S&L of Miami suggests that financial institutions just starting the direct-deposit program tell their customers not to expect the first direct depositing



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to begin for at least 45 days.

As to the problem of phone calls from recipients inquiring whether their checks have been deposited, Dade Federal has this solution: The S&L has its computer—on the same day the checks are accredited—print receipts, which are mailed to the recipients. The S&L believes that once SSDD customers become accustomed to this procedure, they will stop the phone calls.

The Sun banks of Florida offered this solution: They modified their statement drop cycle so that SSDD recipients' statements could be dropped the day after deposits had been made.

This eliminates the necessity of sending these customers credit advices. Another advantage is foreseen down the road. At least four times a year, said the Sun banks, the Social Security Administration sends informational flyers to SS recipients along with their checks. Now banks and S&Ls must forward these flyers to direct-deposit customers. This can be accomplished easily, suggested the Sun banks, by inserting the flyers in the customers' regular monthly statements instead of mailing them separately.

The Treasury's slowness in tracing missing checks has not been corrected

in either the Georgia or Florida pilot program. It probably will be as the project goes nationwide.

Deaths of recipients not reported to financial institutions can result in potential liabilities in years to come if these recipients' checks continue to be posted to their accounts. Therefore, a comprehensive checkup procedure is needed—not only should newspaper obituaries be watched, but other means also must be sought to keep abreast of recipients' deaths.

The missent-check problem can be solved only on a one-on-one basis, as several banks and S&Ls pointed out.

First National of Miami Beach said its main problem was incorrectly filled out forms. The suffix letter of the social security number was the offender most of the time. The bank's solution was to have recipients bring in either their Medicare card, social security card or award letter. Minor items such as incorrectly spelled names were corrected on the spot, the bank added.

Dade Federal S&L of Miami also has an answer to the problem of incorrectly filled out forms. As the S&L pointed out, authorization forms contain the depositor's claim number, which is not necessarily his SS number, along with a letter suffix found directly under the claim number on the SS check. Customers will proffer their SS number without realizing that they are claiming through a different number, said Dade Federal. To assure correct processing of the authorization form, Dade Federal suggested filling out the authorization form with information taken directly from a recipient's check.

Occasionally, continued Dade Federal, a husband and wife receive separate checks under one claim number. The only difference on the checks is that the husband will have the suffix A and the wife, suffix B. The S&L reported instances where the local SS office has authorized both checks to go to the S&L even though only one party had authorized direct deposit. To complicate matters, some checks meant for the unauthorized party have been credited to the authorized party's account. To make sure that checks are deposited to the correct account, Dade Federal has programed its computer to accept checks by claim number and suffix so that unauthorized checks are rejected.

When hundreds of people try to sign up at one time, First National of Hollywood, Fla., uses this system: It simply photocopies the social security checks, has each recipient sign the 1199 authorization form, verifies addresses as shown on the checks and obtains other pertinent data. Then these forms can be executed accurately

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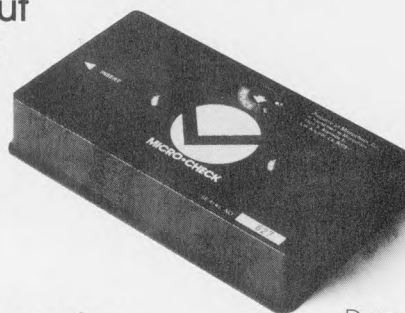
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at a later date by the bank's personnel department. First National added that the customers were delighted at not having to wait in long lines to sign up.

There are problems other than those listed earlier in this article. For instance, First National of Clearwater, Fla., said that some customers wanted to have other checks—pension, dividend, etc.—deposited directly to their savings accounts and their SS checks placed directly in their checking accounts. The bank found this almost impossible to do on the third of each month without making errors. Therefore, it now requires that all checks for one person be deposited to the same account number with a provision that the bank can charge the checking on a certain day of the month and then transfer to savings. For example: Pension and annuity checks are deposited to checking on the first of each month; the SS check is deposited on the third; on the fourth or fifth, First National transfers a specified amount from checking to savings. A customer must sign an authorization card to effect such a transfer.

Whether to guarantee SSDD checks is up to individual financial institutions, of course. However, as the Sun banks of Florida pointed out, those that don't guarantee may lose this business to banks and S&Ls that do. By last April

1, 35 of the 37 Sun banks had chosen to guarantee and to waive all service charges for anyone 62 or older taking part in SSDD. As of July, the banks guaranteeing SSDD deposits had not reported any major difficulties.

In guaranteeing the date of deposit for SSDD checks, the Sun banks assured their customers that the amounts of their checks will be available to them on the date they're scheduled to be received, whether the banks actually have received the checks. The mechanics of programing for the guarantee feature depend largely on each financial institution's computer setup, added the Sun banks.

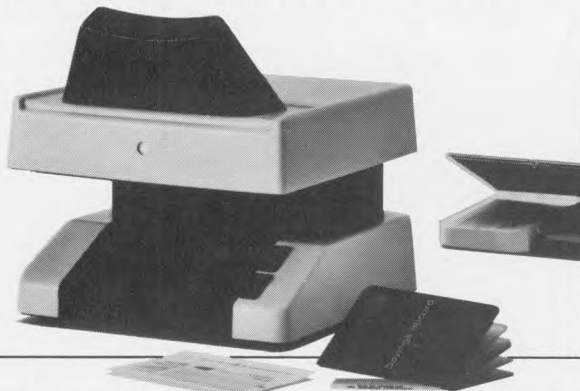
The Sun banks found that a guarantee system could best be achieved with an overdraft-type report. When a customer signs up for SSDD, his name, SS number and amount of the check is recorded on a listing. From this information, a master file change is made to the DDA record establishing an overdraft allowance on the account in the amount of the check. In this way, the banks could easily administer the guarantee feature and assure their customers that their checks would be honored even if their SS checks are not received.

The Sun banks added that SSDD participants' accounts are flagged in the customer service department so that overdrafts that might appear on account records can be distinguished as being connected with the direct-deposit program and are not being viewed as a detriment to customers' administering of their accounts. Each such account is coded with designations identifying them as recipients of benefit checks. These codes indicate whether the check is due on the first or third of the month. Additionally, codes were developed on the banks' audio-response system that inform the teller that the account is a direct-deposit recipient.

In this way, if a withdrawal is made on a recipient's account on the first or third, and the amount is NSF, the teller would receive the direct-deposit code. Another inquiry would result in the amount of the check that's due, and the customer would be honored up to that amount. • •

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- Flexible — can be used with customer check cashing card
- Affords greater security for mail account transactions
- Can be combined with black light system for greater security
- Inexpensive — can be installed for as little as \$250 per branch and 3-to-5¢ per account.

Write today for procedures and a 60-day trial evaluation kit — no obligation.

The FLUOR-O-CHEK II is offered only through

ULTRA-VIOLET PRODUCTS, INC. 

5100 North Walnut Grove Avenue, San Gabriel, Calif. 91778

PASS

THE AUTOMATED PERSONNEL SYSTEM

- A practical, modern approach to maintaining personnel records by computer.
- A pre-packaged system that is customized to fit your requirements.
- A system that can be up and running within 30 days.
- Provides a single data entry point for interfaced systems.
- The ability to access the automated file quickly for those special one-time reports.

A way of quickly establishing, maintaining and accessing employee personnel records with the speed and accuracy of the computer.

IF YOUR INTEREST IS ... ● MORE COMPLETE/ACCURATE PERSONNEL RECORDS

● QUICK ACCESS OF PERSONNEL DATA

● WAGE ADMINISTRATION

● BENEFITS-STATEMENTS

● ABSENTEE REPORTING

● STAFFING CONTROL

● SKILLS INVENTORY, ETC. ...



TAKE A LOOK AT PASS ... THE AUTOMATED PERSONNEL SYSTEM.

WHITEMARSH PLAZA, 15 EAST RIDGE PIKE, CONSHOHOCKEN, PA. 19428 • (215) 828-4294

a premium promotion guaranteed to make people feel warm all over!

and you'll have a warm feeling when you see the results

Faribo blankets, robes and throws have proven themselves to be ideal premiums year after year. They don't break, never need repair, a family can always use another, and they even qualify as energy savers. On top of all that, they're colorful and beautiful.

We've developed a premium program, exclusively for financial institutions, featuring four of our most popular items. It's backed by a complete and colorful promotion package with the fun theme... "an offer from us guaranteed to make you feel warm all over." And behind the whole program is Faribo service, proven through more than ten years of working with financial institutions.

Even though we've just released the program the response has already been tremendous. If you'd like to explore the idea of having the "warm feeling" premium program as an exclusive in your market, just write us or call Charlie Champlin at 507-334-6444.

We'll fill you in on all the details.

Faribo
BLANKETS

1500 N.W. 2nd Ave.
Faribault, Minnesota 55021



Make Your Next Christmas 'Greener' By Planning Ahead for the Season

MERRY Christmas! In September? Right: And as most banks and savings and loan associations have learned, the earlier one starts thinking "Christmas," the more likely that it will be a merrier one—as far as business is concerned.

In improved public relations—internal and external. In better customer relations. Even in new business. That is why so many financial institutions take a practical interest in the Yuletide Season. It's just good business.

For this there are several reasons. First, Christmas is a sentimental season. And since customers, like most people, respond more readily to emotional appeals, there is immediate rapport with an emotional environment—the kind so many financial institutions exude at holiday time. That's why customer relations then can easily reach an all-year high.

Secondly, lobby traffic is usually high during this season. There are a number of reasons why customers come in then—which gives the institution face-to-face relationships with many of the people they serve. So, if the institution reflects the warm spirit of the season, much can be done to offset the cold, dehumanized impact of the computer age.

Finally, Christmas is a season when financial institutions can put sizable new business on their books. Over the years, many ingenious gift ideas have been originated by banks and S&Ls, and while no threat to Christmas volume of department stores, banks and S&Ls do serve many "shoppers."

With so many reasons for strong holiday tie-ins, it's natural that a goodly number of companies specialize in supplying these holiday needs. An ever-growing demand by the financial

world has, in turn, led to important mass-production economies. As a result, virtually any financial institution—even the smallest—can share important Christmas benefits without jeopardizing a meager budget.

Basic supplies, of course, include decorations for lobby, offices and drive-up facilities. Because of the fire hazard, live trees are about the only "no-no" in a decorative plan. Wreaths, garlands, electric candles, a wide variety of artificial trees in all sizes, corsage pins for tellers, cutout displays of Christmas scenes, elaborate displays (both interior and outdoor)—literally anything that might be desired or dreamed of—are readily available to put the visual spirit into a financial institution. Shop the ads in this and other trade journals for ideas. Most such decorations are re-useable and can be amortized over a number of years.

Some banks and S&Ls also use "ear-appeal" to warm the holiday spirit. Seasonal organ music is frequently employed to good effect. Local singing groups and carolers offer lobby recitals. In many institutions it's not difficult to recruit a good group from staff members for this purpose.

Other customer-pleasing touches are added with complimentary coffee, candy for the kids and useful year-end

What does Smucker's have that Santa doesn't?

A shop-early, take-charge business gift program.

Customers and employees alike will appreciate a Smucker's gift box. After all, it's a famous name everybody knows. A product everybody enjoys. Attractively packaged. Many with beautiful, useful retentive items that serve as reminders of your thoughtfulness for years to come. No wonder 80% of our previous gift customers repeat their buy.

Best of all, there's a Smucker's gift for everyone on your list, priced \$3.75 to \$29.95.

Be a smart Santa. And spread joy and Smucker's this holiday season.

With a name like Smucker's, it has to be good

Very good business gifts.

Send to: Smucker's Preserves and Jellies
P.O. Box 55
Orrville, Ohio 44667

Or, call John Jacobs,
Sales Manager (216) 682-0015

I am a potential buyer of 12 or more gift boxes.

- Please have your representative call on me with the details of the Smucker Business Gift Program and a free gift of an old-fashioned apothecary jar filled with Smucker's Prestige Strawberry Preserves.
 Please send me your illustrated gift catalog.

Name _____ Company _____

Title _____ Street _____

City _____ State _____ Zip _____



BG

BG/22

EXCLUSIVE "FINE ARTS" TRAY/PLAQUES

All beautiful *full color* authentic reproductions

A LOW COST - HIGH QUALITY - HIGH POWER - INCENTIVE AND PUBLIC-RELATIONS TOOL



CURRIER & IVES "WINTER"
A CHRISTMAS CLUB WINNER!

Dramatically successful in *all* areas of the USA. Memberships increased by 200% and more!

Letters available confirming above



BICENTENNIAL SERIES FOR
YEAR-ROUND PROMOTION

Unique opportunity to help your community Bicentennial-wise and yourselves good public relations-wise, *at little or no cost.*

Write for details and exclusive

A "TRAY IS A TRAY IS A TRAY" JUST IS NOT SO!

There are trays of all kinds, cheap, intermediate and good, most of ordinary run designs and quality reproduction, all generally sold retail, many discounted.

"FINE ARTS" trays are created for promotion use only, NONE SOLD IN STORES ANYWHERE! A truly "exclusive" incentive and public-relations item of the Highest Quality Authentic *Full Color* Reproductions of Originals, WITH HIGH BLIND VALUE IMPRESSION!

THE BEST VALUE FOR YOUR PROMOTION DOLLAR COMPARED WITH OTHER TRAYS AND OTHER ITEMS

"Believe it or not"—a woman can have a dozen trays at home, she'll want and go out of her way for still another one IF UNIQUELY DIFFERENT AND BEAUTIFUL. Our "Fine Arts" trays are just that, particularly in our unusual and lovely Oval shape and richly reproduced designs NOT SEEN IN STORES ANYWHERE, a real "impulse desired" item.

Write for exclusive in your trading area. Send \$1.00 to cover postage and handling for free tray.

FABCRAFT, INC. "The Tray People," Frenchtown, N.J. 08825

See us at Las Vegas "Bonanza '75 - Booth #820.

BG/23

gifts such as calendars, budget forms and the like. Caution: Such materials must be ordered well in advance!

Many holiday touches have direct new-business tie-ins. Long-time favorites as gifts are such things as a new savings account, specially decorated Christmas checks and new currency in an imprinted gift envelope. In recent years, new currency also has been "packaged" as ingeniously folded Christmas trees, Santa boots and dozens of other designs that have proved popular. Other new ways of giving gift currency include "canning" it in sealed cans and offering money for sale "by the pound," using new coins packed in transparent gift containers.

Many gift suggestions are available to financial institution customers each Christmas in the form of self-liquidating premiums. Christmas record albums, books, silverware and other gift suggestions are offered at attractive prices, providing bargains for customers and desirable lobby traffic for the institution—at virtually no cost to the bank or S&L. Check the suppliers advertising premiums (many in this issue) for appealing ideas in this field.

Christmas, traditionally a time of good will, is an excellent opportunity for "coldblooded" institutions to add warmth to their "good will." The holiday season is especially appropriate for

thank-you messages to customers and friends of the bank or S&L. Least expensive is a variety of insert folders (available from many sources) to add to year-end statement mailings and other correspondence. For especially good customers, a personal letter is even better and pays big customer-relations dividends for a nominal investment.

One of the oldest (and most successful) Christmas promotion ideas, of course, is a Christmas club. Customers like it, so do financial institutions, and each year—with a little promotional push—it continues to be a good source of deposits. Full details are obtainable on request from any of the firms offering Christmas clubs.

One of the newest Christmas-promotion areas is an idea used by small-town banks to keep Christmas shoppers in their hometown stores, instead of losing them to nearby metropolitan centers. In Deerfield, Ill., for example, the local bank joined with the town's Chamber of Commerce and Merchants Association in a "Christmas Gift Guide" drawing. With it, residents—when shopping in Deerfield—became eligible for special drawings and prizes, thus providing an appealing incentive for shopping in their hometown.

In a similar vein, Madison Avenue

Associates, Nashville, has syndicated an effective campaign enabling a small-town bank to keep more Christmas shoppers' dollars at home. Titled "Try (name of city) First," this promotion provides everything needed by a bank to mount a successful community campaign—including window stickers, counter cards, shopping bags, radio announcements, camera-ready newspaper ads, press releases, logos, letters—even lapel buttons for participating companies and bank employees.

Many banks have found this an effective way to keep shoppers' Christmas dollars in the community. In Eufaula, Ala., for instance, this campaign kept an additional \$800,000 "at home" last Christmas when the local bank first used this idea. Banks using this service report in addition an increase in commercial accounts, a stimulated officer call program and added public relations benefits throughout the community.

Christmas promotion ideas for banks and S&Ls are many and cover a wide field. Most are well advertised (in this journal and others), and a check of these suppliers will prove interesting and profitable to any institution wishing to make its holiday seasons "greener."

Let us be the first this year to wish you "Merry Christmas!" • •

Music Pays Big Dividends

...in customers



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

Pickwick Records & Tapes



OUTSTANDING CHRISTMAS DECORATIONS Designed especially for your Bank by One of the Nation's Largest Display Manufacturers . . . Interior/Exterior . . . PINE BOUGH WREATHS . . . WALL SWAGS . . . TREES . . . GARLAND DRAPE . . . BELLS . . . ETC. Fireproof . . . Useable for Years . . . Custom designs produced to conform to your decorating theme . . . Write for colored catalog of ideas . . . or phone James Duncan collect.

GARLAND 126 NORTH PARK
GLEN ELLYN, ILL. 60137
DISPLAY CORPORATION 312 - 858-1631

TAX
DEPOSITARY
SERVICE



1976-coming up!

~~1975~~ **TIMETABLE FOR FEDERAL TAXES**

When you deposit your Federal business taxes with this bank you enjoy these advantages:

CONVENIENCE—Make your tax deposits while attending to your other banking needs. This bank is an authorized depositary of the U.S. government and is prepared to accept your tax payments either by mail or in person.

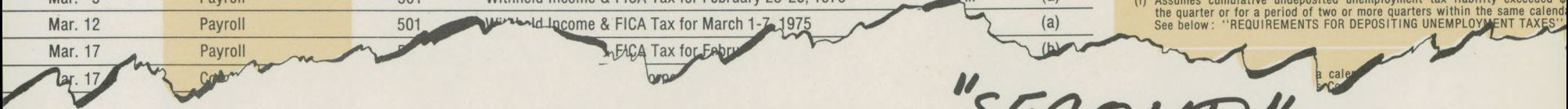
PROTECTION—Guard your firm against late-payment penalties. The date we accept and date your deposit establishes the date of payment. This bank maintains complete tax deposit records which are always available to verify payment dates.

INFORMATION—We always stand ready to guide you and provide you with full tax deposit information.

BANK NAME IMPRINT HERE

DATE DUE	TYPE OF FEDERAL TAX	TYPE OF DEPOSIT FORM	FINAL DATE FOR PAYMENT OF:	PORTION DUE	NOTES
Jan. 6, 1975	Payroll	501	Withheld Income & FICA Tax for December 23-31, 1974	All	(a)
Jan. 10	Payroll	501	Withheld Income & FICA Tax for January 1-7, 1975	All	(a)
Jan. 20	Payroll	501	Withheld Income & FICA Tax for January 8-15, 1975	All	(a)
Jan. 27	Payroll	501	Withheld Income & FICA Tax for January 16-22, 1975	All	(a)
Jan. 31	Payroll	501	All Undeposited 1974 Withheld Income & FICA Tax	All	(c)
Jan. 31	Excise	504	All Undeposited 1974 Excise Tax	All	(e)
Jan. 31	Unemployment	508	All Undeposited 1974 Unemployment Tax	All	(f)
Feb. 5	Payroll	501	Withheld Income & FICA Tax for January 23-31, 1975	All	(a)
Feb. 12	Payroll	501	Withheld Income & FICA Tax for February 1-7, 1975	All	(a)
Feb. 18	Payroll	501	Withheld Income & FICA Tax for January, 1975	All	(b)
Feb. 20	Payroll	501	Withheld Income & FICA Tax for February 8-15, 1975	All	(a)
Feb. 26	Payroll	501	Withheld Income & FICA Tax for February 16-22, 1975	All	(a)
Feb. 28	Excise	504	Excise Tax of January, 1975	All	(d)
Mar. 5	Payroll	501	Withheld Income & FICA Tax for February 23-28, 1975	All	(a)
Mar. 12	Payroll	501	Withheld Income & FICA Tax for March 1-7, 1975	All	(a)
Mar. 17	Payroll	501	Withheld Income & FICA Tax for February 23-28, 1975	All	(b)
Mar. 17	Excise	504	Excise Tax of January, 1975	All	(d)

- NOTES AND REQUIREMENTS**
- (a) Assumes cumulative undeposited payroll tax liability reached \$2,000 during the quarter monthly period shown. See below: "REQUIREMENTS FOR DEPOSITING PAYROLL TAXES".
 - (b) Assumes monthly payroll tax liability was at least \$200 but less than \$500. See below: "REQUIREMENTS FOR DEPOSITING PAYROLL TAXES".
 - (c) Assumes undeposited quarterly payroll tax liability was under \$2,000. See below: "REQUIREMENTS FOR DEPOSITING PAYROLL TAXES".
 - (d) Assumes excise tax liability exceeded \$100 for the month shown. Deposits of less than \$100 are permissible but not required. See below: "REQUIREMENTS FOR DEPOSITING EXCISE TAXES".
 - (e) Assumes undeposited excise tax liability for the calendar quarter exceeded \$100. (applies to all excise taxes except air transportation and communication excise taxes). See below: "REQUIREMENTS FOR DEPOSITING EXCISE TAXES".
 - (f) Assumes cumulative undeposited unemployment tax liability exceeded \$100 for the quarter or for a period of two or more quarters within the same calendar year. See below: "REQUIREMENTS FOR DEPOSITING UNEMPLOYMENT TAXES".



"SECOND"

THIS IS A ~~FIRST~~

last year it was "A FIRST"

Our friends at this publication tell us that this is the first advertisement that is also a product sample.

While we don't think we're going to end up in the Guinness Book of Records, it does show you how anxious we are to get our Tax Calendar into your hands. Then it sells itself.

More than ~~500~~ banks, from the top ten down, are already using our T. T. and L. material, but we think that every bank*, regardless of size, should be aware of its usefulness and potential value.

THE PRUDENT BANKER, especially in these unusual times, we feel, would wish to service and to hold on to his present T. T. and L. accounts and to try to add additional ones. And our Tax Calendar can help.

WE SUGGEST (1) give Tax Calendars to all commercial accounts,

over 600 and going up

sorry about that

of course, every charge card merchant already has an account with the Bank. (2) Use a Tax Calendar as a catalyst when opening new commercial accounts. It's the surest way we know of to get new T. T. and L. business. (3) Make it a tool in your Officer Call Program kit. It's probably America's #1 officer call tool.

*not available in California

~~1975~~ ¹⁹⁷⁶ TAX CALENDARS

100-499	30¢	1,000-9,999	17¢
500-999	24¢	10,000-or more	14½¢

we're holding the line on prices

Calendars may be imprinted in any amount. Minimum charge for set-up and plates to imprint is \$30.00 for the first time. Plates held from year to year at no charge. Set-up charge is \$15.00 for each additional usage. Imprinting charge is \$5.00 per thousand with a \$5.00 minimum charge.

NOTE: The Printing Industries of America's printing standards call for a possible 10% overrun or underrun. PLEASE DO NOT ATTACH CHECK, wait for final bill.

motivational systems, inc.

400 Madison Avenue ■ New York, N.Y. 10017 ■ (212) 688-9250

We have two new extraordinary designs (samples available)

Now on the front cover - it's really DYNAMITE!!

In Addition to Tax Calendars check for other product samples.

- (ZIP) 'Score Yourself' Self Qualifying Applications for Loans, Charge Cards, etc., etc.
- Quick-Key Non-Scoring Applications for Loans, Charge Cards, etc., etc.
- Custom printed applications for Loans, Charge Cards, etc., etc. Free mock-ups and prices available. (ZIP or Quick-Key) *or "POP-UP" or "MOD"*
- Gold Key Auto Charge Card - Exclusive with one bank in an area. *Go direct!*
- New Collection pieces. A different look can help. Great for your Collection Dept. *If you're looking for NEW BUSINESS*
- Trust Charts (TIP) new tool to bring in qualified estate planning leads.
- Our new goal oriented Savings Program: Exclusive with one bank in an area.
- A complete Tax Calendar sample plus Tax Brochures #1 and #2 to increase T. T. and L. profits.

Any questions: call collect (212) 688-9250 - Jack Wolf, Exec. V.P.

QUANTITY _____ IMPRINTED
 yes no

- I am enclosing logo 'slicks' for front and back
- I am enclosing logo, please adjust to size

NAME OF BANK _____

YOUR NAME _____ TITLE _____

ADDRESS _____
 (No P.O. Box please)

STATE _____ ZIP CODE _____ TELEPHONE _____
 (area code)

SHIPPING ADDRESS (IF NOT SAME AS ABOVE) _____

*NOT AVAILABLE IN CALIFORNIA

This one is heating up again, and we have some great success stories

GENERAL RULES FOR DEPOSITING FEDERAL TAXES

WHAT FEDERAL TAXES ARE ELIGIBLE FOR DEPOSIT AT THIS BANK:

- Withheld Income and FICA Taxes (Tax Reported on Forms 941, 941E, 941PR, 941(010), or 941SS)
- Corporate Income and Estimated Taxes (Taxes Reported on Form 1120)
- Excise Taxes (Taxes Reported on Form 720)
- Railroad Retirement Taxes (Taxes Reported on Form CT-1)
- Unemployment Taxes (Taxes Reported on Form 940)
- Voluntarily Withheld Income and FICA Taxes for Agricultural Workers (Taxes Reported on Forms 943 or 943PR)
- Tax Withheld at Source on Non-Resident Aliens, Foreign Corporations, and Tax-Free Covenant Bonds (Taxes Reported on Form 1042)

WHERE TO MAKE FEDERAL TAX DEPOSITS:

Generally, the eligible taxes listed above should be deposited in an authorized depository. As a service to our business customers, this bank, an authorized depository of the United States Treasury, accepts Federal tax deposits.

WHEN TO MAKE FEDERAL TAX DEPOSITS:

Businesses must periodically deposit certain Federal taxes in an authorized depository of the United States Treasury on or before the pre-established due dates included here. Many rules have been established by the government for these tax deposits, and the application of these rules can vary between depositors. The Notes included with the Timetable will help determine if a due date applies to your situation.

HOW TO MAKE FEDERAL TAX DEPOSITS:

- Verify all the information preprinted on the appropriate Federal tax deposit form.
- Complete the appropriate form and the stub following the directions outlined on the deposit form. All deposits must be accompanied with the appropriate Federal tax form.
- Draw your checks payable to this bank.
- Bring or mail your payments to us by the dates shown on the Timetable, together with the completed Federal tax form. Keep the stub with your tax records.

HOW TO MAKE FEDERAL TAX PAYMENTS WITHOUT FEDERAL TAX DEPOSIT FORMS:

Federal tax depositories are prohibited from accepting any Federal tax deposits without appropriate or correct tax deposit forms. Tax payments without appropriate or correct forms must be mailed directly to the Internal Revenue Service Center where your returns are filed by the dates due. Include your check payable to the Internal Revenue Service together with a letter stating your business name, address, taxpayer identification number, type of tax, tax period ending date, and the amount of the enclosed deposit.

HOW TO ORDER FEDERAL TAX DEPOSIT FORMS:

- The following forms can be ordered at the Internal Revenue Service Center or District Office where you file your returns:
- Form 501—Withheld Income and FICA Taxes
 - Form 503—Corporate Income and Estimated Taxes
 - Form 504—Excise Taxes
 - Form 507—Railroad Retirement Taxes
 - Form 508—Unemployment Taxes
 - Form 511—Voluntarily Withheld Income and FICA Taxes for Agricultural Workers
 - Form 512—Income Tax Withheld on Non-Resident Aliens, Foreign Corporations, and Tax-Free Covenant Bonds

HOW TO APPLY FOR AN EMPLOYER IDENTIFICATION NUMBER:

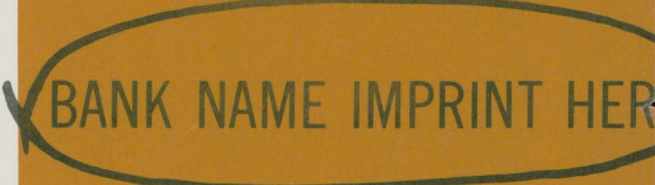
Employers that have not applied for an identification number can do so on Form SS-4, available from any local Internal Revenue Service office.

FEDERAL TAX RETURN FORMS AND DATES

- Withheld Income and FICA Taxes: Form 941, 941E, 941PR, 941(010), or 941SS
 - * (Filed Quarterly: 4/30/75, 7/31/75, 10/31/75, 2/2/76)
 - ** (1/31/75 for Fourth Quarter 1974 return)
- Corporation Income Taxes: Form 1120
 - ** (Filed Annually: 3/15/76)
 - ** (3/17/75 for 1974 return)
- Excise Taxes: Form 720
 - ** (Filed Quarterly: 4/30/75, 7/31/75, 10/31/75, 2/2/76)
 - ** (1/31/75 for Fourth Quarter 1974 return)
- Railroad Retirement Taxes: Form CT-1
 - (Filed Quarterly: 6/2/75, 9/2/75, 12/1/75, 3/1/76)
 - (2/28/75 for Fourth Quarter 1974 return)
- Unemployment Taxes: Form 940
 - * (Filed Annually: 2/2/76)
 - * (1/31/75 for 1974 return)
- Voluntarily Withheld Income and FICA Taxes for Agricultural Workers: Form 943 or 943PR
 - * (Filed Annually: 2/2/76)
 - * (1/31/75 for 1974 return)
- Income Taxes Withheld on Non-Resident Aliens, Foreign Corporations and Tax-Free Covenant Bonds: Form 1042
 - (Filed Annually: 3/15/76)
 - (3/17/75 for 1974 return)

FOOTNOTES

- * If timely deposits were made of the full amount of the taxes due for the quarter, the return may be filed on or before the tenth day of the second month following the quarter.
- ** Or, on the 15th day of the third month following the close of the taxable year when the corporation is not a calendar-year taxpayer.
- *** Returns for excise tax may be filed on or before the tenth day of the second month following the end of the quarter when full and timely deposits have been made for the quarter (applies to all returns except those for air transportation and communication taxes). Returns for air transportation and communication taxes are due on or before the last day of the second month following the end of the quarter.



Officer Ugg directs traffic and goodwill to financial institutions.

The largest agency in the U.S. has developed a poison prevention program as part of a complete financial marketing package.

A really successful community relations program is one that involves a vital and tangible service to the community, and also happens to be so unique as to be impossible for the competition to copy.

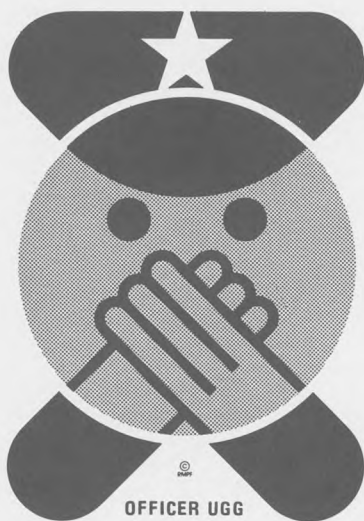
It must be a consistent, continuing program that will reach up to 80% of the population, as opposed to the traditionally sporadic community programs which have been hard pressed to claim a 20% impact.

You have just read a description of the Officer Ugg Poison Patrol program developed and packaged by Frye-Sills, Inc., Denver division of Young & Rubicam, in conjunction with its client, Rocky Mountain Poison Center.

This highly successful community relations program centers on a microfiche readout machine called a Poisindex. The system provides complete treatment information on any one of more than 100,000 dangerous products and substances within less than 25 seconds. As a hospital emergency room aid, its potential lifesaving and disability prevention capability is limitless.

The system was authored by a national review board of clinical toxicologists and pharmacologists, who update the information quarterly with the addition of 12,000 to 15,000 products. Renowned toxicologist Dr. Barry Rumack of Rocky Mountain Poison Center heads the national board.

The program begins with the gift of a Poisindex Machine by a financial insti-



tution or other sponsor to a local hospital. That in itself is more than worthy of a press conference.

At that time, or soon afterward, Officer Ugg and his Poison Patrol are introduced to the community. Advertis-

ing and publicity create awareness of poison prevention and give useful information on dangerous materials.

The public is urged to start a Poison Patrol at home, using Officer Ugg stickers to identify items that should not be "touched, smelled or tasted."

The stickers are available free-of-charge at the offices of the sponsor, along with information on poison prevention.

Lives are saved, and injuries are prevented or minimized, while the sponsor's image is enhanced, and traffic is generated in his offices.

The program has been or is about to be inaugurated by a number of financial institutions from Casper, Wyoming to Amarillo, Texas. A major drug store chain is considering it for a midwest test market.

Officer Ugg and the entire community relations program can be purchased as a separate package, or as part of a full-blown bank marketing program created and sold by the Programmed Marketing Division of Frye-Sills, Inc. The package includes a separate Community Involvement Program, Public Relations Program, Special Promotions, Cross Selling Program and a complete advertising campaign. It's much more than a book of ads.

Also available through PMD is a large selection of premium merchandise, internal training and motivation programs and other marketing tools.

Frye-Sills accepts collect telephone inquiries directed to either Al Ross or Bill Talley.

Frye-Sills, Inc.

A Division of Young & Rubicam International Inc.
1200 Lincoln St. Denver, Colorado 80203
(303) 573-7335



Premiums 'Do the Job' for Banks, Thrifts

WITH LOAN demand easing, financial institutions have been placing less emphasis on incentive promotions as a means of boosting deposits. Nonetheless, many banks—and a higher percentage of S&Ls—are continuing to use premiums as a means of attracting new customers through those big front doors and as a means of maintaining deposits—particularly savings deposits—at current levels. The obvious purpose is to be prepared for any unforeseen surge in loan demand.

Following are a selection of incentive promotions used by banks and S&Ls in recent months.

- Banks and S&Ls in cities scattered widely throughout the country have come up with new ideas to spark potential savers' interest in incentive marketing programs.

Suburban S&L, Elmwood Park, N. J., staged a branch-wide contest in which depositors competed for 14 different awards, including \$50 worth of groceries every week for a year, or six months,

or three months, or one month, or one week.

Oak Park S&L, adjacent to Chicago, offered coupons which brought a 5% discount on up to \$50 worth of groceries at any unit in a supermarket chain. A deposit or add-on from \$250 to \$999 was required.

First National, Chicago, offered discount coupons at 36 area businesses. The book of discount coupons was available to savers depositing \$200 in a new or existing account.

Lafayette S&L, St. Louis, tied in with Show Case (a discount store) catalog showrooms to offer savers bonus gift certificates cashable with purchases at any Show Case showroom. Depending on the amount of the deposit, the certificates ranged from \$3.49 to \$10. Depositors were given money orders made out to Show Case. A selection of Show Case merchandise was displayed in each of six Lafayette offices.

Both banks and S&Ls have been

offered and have accepted opportunities to tie in with national advertising of standard grocery items. Member banks of Affiliated Banks Corp., Wisconsin, using the soup company's slogan, "Campbell's like money in the bank," as a basis, gave a free can of soup to every customer transacting business at one of its banks on two February days.

Community Federal S&L, with six suburban St. Louis offices, cooperated with the manufacturer's advertising agency to offer a box top deal on Fab detergent. Two dollars, plus three giant size box tops, or \$2 and two king size box tops opened an account with a \$5 deposit.

- Tying in with the national bicentennial, a host of banks and S&Ls are using as an incentive promotion a campaign built around a selection of jewelry labeled American Heritage. The collection includes almost a score of ornaments, each of which has as its center piece a United States coin. Included are the Eisenhower dollar, the Kennedy half dollar, Lincoln pennies, Jefferson nickels, Roosevelt dimes, Washington quarters and even prized Indian-head pennies. Reports indicate that this last item has proved the most frequently selected.

Banks using this premium collection include Hoosier State, Hammond and First National, Lincolnwood, Ill. Among the S&Ls are First Federal, Maywood; First Federal, Proviso Township; Cook County Federal, Chicago, all Illinois; First Federal, Orlando, Fla., and East Cleveland S&L, Mayfield Heights, O. The promotion was developed by Brandmark Sales Co., Lincolnwood, Ill. Typical items wholesale at \$.95 each.

- Starting approximately two years ago, St. Louis S&Ls have become virtually unanimous in offering selections of premiums in complementary groups; that is, offering a list of premiums, all of which have some relationship to the others. A case in point is Lafayette Federal Savings, whose advertising campaign pictured a bug-eyed Alladin staring at his lamp in awe as "A Magical Selection of Spaulding Gifts . . . FREE or at Legendary Prices . . ." swelled out of it. Thirteen self-liquidators were offered for "prices" ranging from \$1.49 for a can of tennis balls to \$41 for a man's or woman's seven-piece golf set. Plus, of course,

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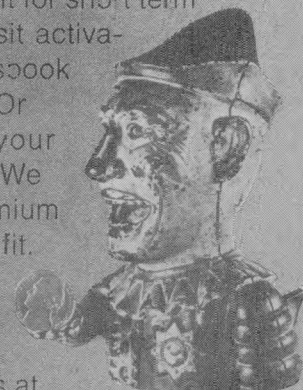
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a \$250 deposit. Sports represented by Spaulding merchandise in addition to tennis and golf were volleyball, basketball, soccer, football, and badminton.

• Omaha (Neb.) National, in a campaign coincidental with the distribution of last spring's income tax rebate, found that an electronic digital watch out-performed 42 other time-piece styles in drawing new deposits into the bank. The five-function watch—it shows hours, minutes, seconds, month and date—could be obtained for \$114.50, down to \$89 with deposits ranging from \$200 to \$10,000.

Jerry Anderson, second vice president-marketing, attributed the high incidence of requests for the digital watch to three factors: It was a new model never offered before in the Omaha market; it had an obvious value of well over \$160 retail; and most promotional advertising—television, newspaper and direct mail—concentrated on the particular model.

• "Time and temperature" was the theme of a program used last spring by Community Federal S&L which has seven offices in suburban St. Louis. In the promotion, 16 time-or-temperature items were offered on a basis that ranged from free to a top

is your security in shreds . . .

A shredder simply doesn't destroy confidential material. All it creates is a massive disposal problem and fire hazard. If you want Security you need a Security Disintegrator. It will reduce unburst computer printout, bound manuals, whole reels of microfilm, crumpled paper and even offset plates into miniature confetti. And, it automatically compacts and bags the waste.

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price of \$10.95. A minimum \$200 deposit was a prerequisite. Most popular items in the campaign—which drew 8,587 new accounts and more than 15,000 add-on deposits—were an indoor/outdoor thermometer and a humidity meter/thermometer, both of which were free, and a “weather station” priced at \$5.95 with a \$200 deposit or free with a \$500 deposit. Total deposit gain during the seven-week promotion was in excess of \$12 million.

• Two banks in Chicago suburbs offered premiums that were imaginatively different. They supported their promotions with displays that approached the spectacular.

Heritage/Oak Lawn Bank displayed in its lobby a broad range of authentic Indian jewelry that included rings, bracelets, pendants and bolas, priced at



Indian jewelry incentives attract interest at Heritage Bank, Oak Lawn, Ill.

savings of more than 50% from retail value. Savers who deposited \$100 or more in either savings or checking accounts could choose from the selection. A deposit of \$300 or more obtained either an authentic Indian bead choker or a ring, without charge.

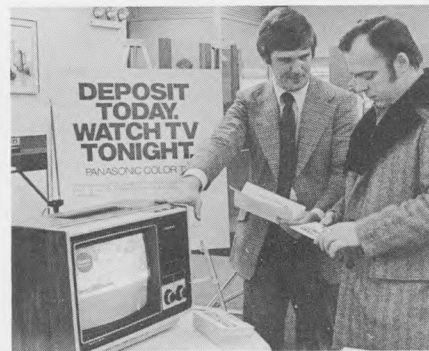
Heritage/Olympia Bank, Chicago Heights, trumpeted “Deposit today—watch TV tonight!” In lieu of interest, the buyer of certain CDs—\$1,000 for 48 months, \$2,000 for 30 months, or \$5,000 for 12 months—could take home a table model television set. The Panasonic color sets had 13-inch screens, were 100% solid state and were available in walnut or white. However, if the CD should be redeemed before maturity, the value of the set would be charged against the certificate.

• Fidelity Bank, Creve Coeur, Mo. (a St. Louis suburb) has been flying high with a selection of 10 household items, including a percolator, a label maker, a heating pad, a teflon griddle, sun glasses, a clothes steamer, umbrellas, a trouble light, an electric alarm clock and an untangler comb. Any one of the 10, plus “A host of

other gifts, too” was free with a \$100 deposit to open a no-cost checking account.

• First National, Chicago, which in recent years has been having phenomenal success with timely, current-events-oriented promotions, last spring built a campaign around the theme: “Save money; eat in tonight.” Featured in the promotion were three self-liquidators, each of them an electrical appliance. By making a savings deposit of \$250, new or old customers could buy a West Bend Slo-Cooker for \$13.95. A drip coffee maker of the same brand cost \$15.95 and a Proctor-Silex toaster cost \$16.95.

• Big Bend Bank, Webster Groves, Mo. (a St. Louis suburb), introduced to its market a comparatively novel continuity premium, a series of six cookbooks under the “Ideals” label. Each



Scott Hunter (l.), v.p. at Heritage/Olympia Bank, Chicago Heights, Ill., discusses TV promotion with customer. Color TVs were given in lieu of interest.

book in the set was available for a savings deposit of \$100. Early ads featured the “Family Garden Cookbook,” which included in its 64 pages a vegetable gardening guide, how-to-do-it chapters on canning and freezing vegetables, as well as recipes featuring home-grown vegetables.

• Industrial Valley Bank, Philadelphia, obtained more than 12,999 new savers and 20,000 new members for its “Bernie Parent Savers Club,” named for the goal tender of the Philadelphia Flyers hockey team. With a \$50 deposit, members received a Flyers warmup jacket, a photograph of Bernie Parent and other hockey items.

• Commercial National, Kansas City, Kan., attracted \$2 million in four-year CDs during a six-month promotion that offered a 12-inch Sony color TV in lieu of interest. Lloyd O. Burton, the bank's marketing officer, reported that at the campaign's height, one employee's full-time job was loading televisions into customers' automobiles. • •

The "Second Signing of the Declaration of Independence" has been called, "the best bank promotion of the decade."



What are You Going to Do About the **BICENTENNIAL?**

Here's a Prestigious Program With Maximum Community and Employee Involvement

Promotions...

- The Heritage Highlights series includes six powerful community-involvement promotions such as the "Second Signing of the Declaration of Independence," scholastic promotions, merchandise promotions, all with detailed instructions.

Public Relations...

- Heritage Highlights features a publicity and public relations program, complete with pre-written press and radio releases, plus instructions for use, to maximize the benefits of local media coverage of your bicentennial community-involvement programs.

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- Heritage Highlights features 45 one and two-color newspaper ads, ready to run with your bank logotype, including 27 authentic historical story ads, teaser and announcement ads plus prestigious promotional and merchandise ads.

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- Master storyteller Bob Barton has produced 90 gripping, one-minute radio stories on our nation's past. These authentic historical spots are personalized head and tail with your bank name and slogan in Bob's own voice.

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Bicentennial Celebrating: The Thing to Do!

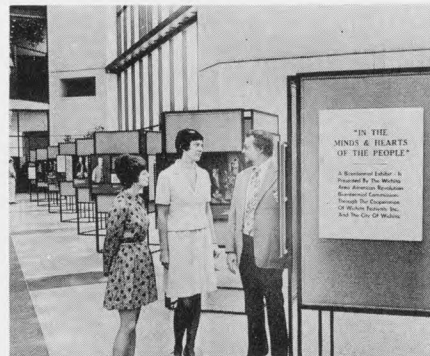
IT APPEARS that few banks, S&Ls and other financial institutions will be overlooking the benefits of promoting the nation's founding in some way or another between now and July 4, 1976. Many financial institutions either have begun or have completed their bicentennial celebration plans, but many more are still searching for good ideas.

Following are a few samples of bicentennial celebrations that are showing the public that financial institutions are leaders in congratulating the U. S. on its big anniversary.

- State Bank, Rensselaer, Ind., got off to a good start by unveiling a replica of the Liberty Bell in its lobby. Purpose of the display is to "help renew our dedication to the ideals of this country during the bicentennial year," according to Wayne Firestone, president. The bell has been installed on a specially built table, flanked by the U. S. and Indiana flags. Throughout the lobby are bouquets of red, white and blue flowers in gold Liberty Bell vases. The bank

is offering small ringing bells to customers. Bank employees have made bonnets and dresses in colonial design to be worn occasionally during the celebration, which will extend through July 4, 1976. The bicentennial theme is carried out through the bank's advertising and with printed material on its stationery.

- An exhibit entitled "In the Minds and Hearts of the People" is on display



Mayor of Wichita, Kan., Connie Peters (I.), participates in opening of bicentennial exhibit in courtyard of Fourth National.


in the courtyard of Fourth National, Wichita, Kan., in honor of the bicentennial. The exhibit is a prologue to the American Revolution and is one of 25 exhibits being circulated throughout the U. S. by the Smithsonian Institute. It covers the years 1760-1774, the period when colonists became convinced there was no turning back in their quest for independence.

- American National, Chattanooga, Tenn., has included an exhibit of the wills and estates of famous Americans of colonial times as part of its series of bicentennial-related lobby displays. The exhibit shows wills and estates of such men as George Washington, Paul Revere and Benjamin Franklin. The display was arranged through a museum.

- The Huntington Banks of Ohio are sponsoring a major film project as part of Ohio's bicentennial commemoration. The project includes a half-hour dramatic motion picture and accompanying descriptive filmstrip that portrays the 200 years of Ohio's develop-

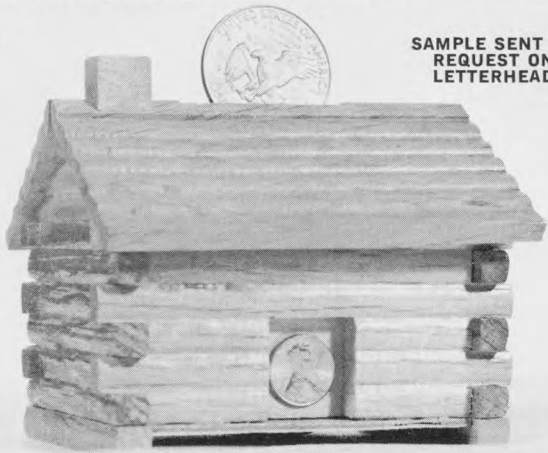
1776 BI-CENTENNIAL 1976

LINCOLN REPLICA LOG CABIN BANK



72	\$2.00
144	\$1.75
288	\$1.65
432	\$1.60
1,008	\$1.50

Over 75,000 sold since March 1st.




SAMPLE SENT BY REQUEST ON LETTERHEAD

MADE IN THE U.S.A. OF ASSORTED WOODS

YOUR NAME OR LOGO SILKSCREENED AT NO EXTRA COST

THIS COIN-BANK IS TRULY A COLLECTOR'S ITEM. IT IS BEING ASSEMBLED AT LURLEEN B. WALLACE DEVELOPMENT CENTER, SHELTERED WORKSHOP, DECATUR, ALABAMA.

See us at booth 810 Bank Marketing Convention in Las Vegas



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Dear Mr. Swanson:

Please ship an additional 1,008 log cabin banks as soon as possible. We are having phenomenal success with these in all of our branches. Some of our branches sold their entire allotment the first day. These very fine coin banks are the best item that we have ever used and we hope that you can get us our additional order very soon.

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Draw Maximum Interest Everywhere!

Genuine SANTA CLAUS DOLLARS

for an Exciting Christmas Promotion!



LEGAL — REAL U.S. CURRENCY
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and
Personality
DOLLAR BILLS



for a FANTASTIC Bicentennial Campaign



...the "Ultimate" in
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"Personality Dollar Bills" are genuine U.S. currency and our letters of approval from the Treasury Department go back to 1967; copies of letters sent on request. Single bills are negotiable because the die-cut photos which are applied over Washington can be removed . . . they are done so beautifully that it looks like the Mint printed them.

Our unique product is very successful. "Personality Dollar Bills" retail in stores for \$3.95 — people are fascinated and love to collect them. We have over 500 world famous personalities in stock, including every President.

We can also "Personalize" Dollars with photos of your choice . . . bank executives, clients, employees, etc. What a sensational gift! Our Plaques and Lucite pieces are elegant and

beautiful decorative pieces for your offices, as well as appealing account openers. You are in the business of money so here's your chance to display and promote your product in a unique manner.

The Government has ruled that "Personality Dollar Bills" can be shown on television as long as they are on videotape and not film. They can be attractively displayed in your lobby and windows. And like you, your customers will be amazed and curious. Can you imagine seeing Santa Claus Dollars on the TV screen?

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ment as seen through the eyes of two fictional characters. The motion picture and filmstrip will be distributed to TV stations, schools and civic organizations.

- Commercial Bank, Olivette, Mo., recently redecorated its premises and held a colonial-flavored open house to show off its premises. Customers were invited to register for a free trip to bicentennial country; a week-long "Boston Tea Party" was held that featured refreshments; and historic medallion coasters and parchment copies of the Declaration of Independence were offered to those making deposits of \$300 or more.

- Oak Park (Ill.) Trust & Savings is exhibiting a painting, entitled "The First Fourth," in honor of the bicentennial. The painting portrays the reaction of colonials to the reading of the Declaration of Independence in Philadelphia. Shown in the painting are Thomas Jefferson, Benjamin Franklin, Alexander Hamilton and John Adams. The artist is Paul Strayer, a well-known illustrator.

- A family theater production, entitled "The Fourth of July," was presented recently in the courtyard of Deposit Guaranty Plaza, Jackson, Miss., by the "Deposit Guaranty Puppeteers." The one-act play recreated the birth of independence in the U. S. An average of 15 showings per day was arranged to satisfy all who came to the event.



Antique popcorn wagon was popular attraction at family theater production at Deposit Guaranty Plaza, Jackson, Miss.

Free popcorn and soft drinks were dispensed and balloons and miniature flags were distributed to the crowd.

- Commercial National, Kansas City, Kan., is celebrating the bicentennial with flags! Its lobby features 12 historically significant flags in use during the Revolutionary War; desks and countertops feature sets of the flags in miniature and the historic Bennington flag is flown from a mast atop the bank's building.

- Chase Manhattan, New York City, plans to give major corporate support to the Whitney Museum of American Art's main bicentennial exhibition, "200 Years of American Sculpture," which will open next March. The exhibit will contain the works of about 165 artists.

- A special TV documentary, entitled "Patriotic Music: Its Influence on U. S. History," was presented as the U. S. began its bicentennial observance and as the program's sponsor, National City Bank, Evansville, Ind., observed its 125th anniversary—which happened to fall on July 4. The TV show was endorsed by the President's Bicentennial Committee and was awarded the George Washington Honor Medal from the Freedoms Foundation. A week-long open house celebration was also held.

- A "Count Me American" celebration, which included a giant birthday party for the U. S., is being sponsored by American Fletcher National, Indianapolis, in honor of the bicentennial. The bank distributed bumper stickers, window decals and lapel pins bearing the "Count Me American" theme, which salutes the greatness of the U. S. Several thousand passersby attended the festivities, where ice cream, cake and balloons were given away.

- Louisiana National, Baton Rouge, has produced a bicentennial memento incorporating the state's antebellum homes in a limited edition china series. The plates are of translucent china

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Beautiful Spirit of '76 Stoneware



It Makes Depositors Collectors... And Collectors Steady Depositors!

From mid-America comes this collection of antique-like, drip-glaze stoneware pottery. Spirit of '76 Stoneware is limited edition, especially created for the Bicentennial. Still made as it was in Colonial times, each piece is glowing with the craftsman's pride. The great amount of handwork makes each piece different from all others; truly an original.

When you offer your savers these heirlooms of the future, they'll keep coming back again as the incentive to create sets is built into the charm and variety of the pieces and their surprisingly low costs.

Deposits are sure to multiply as word gets around of your exclusive offering of these historic originals featuring glazed-in art from the National Gallery of Art, Washington, D.C.

To help spread the word of this most successful Bicentennial offering, Redwood House has a complete promotional campaign which will save you time, dol-

lars, and headaches. Ready-for-reproduction newspaper ads, authentic Colonial hutch lobby display, full color mailing inserts, even a custom-produced radio commercial. We've made this an easy program to get into and our 100% return privilege on unused merchandise makes things end on a happy note, too. Contact us now by collect phone call or use the coupon. We'll reserve exclusive rights for you in your market area. No obligation, of course. We'll arrange to show you Spirit of '76 Stoneware, the advertising material, plus give you detailed information on completed programs.

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Ray Yodlowsky
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MCB

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(please print)

Financial Institution _____

Street Address _____

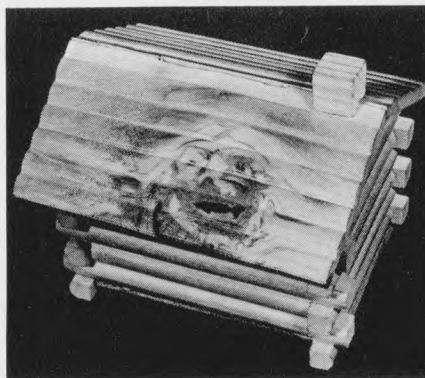
Town _____ State _____ Zip _____

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area code

BG/41

and feature lithographic reproductions of famous Louisiana plantation homes. The plates are ringed in 24-carat gold with a repetitive American eagle border design and carry a coat of arms designed to depict periods in the history of Louisiana. The plates will be sold throughout the state by participating banks. Bank customers making designated deposits can obtain the plates at reduced prices. The series includes six plates, to be introduced at three-month intervals.

Coin Bank 'Ghost'



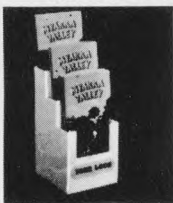
Log cabin coin banks are unique in themselves, but when you build one that sports a smiling face, you have something that's really unusual! The face on the roof of this bank appeared as the bank was assembled at the sheltered workshop of Lurleen B. Wallace Development Center, Decatur, Ala. The face resulted from a knot in the wood and was not touched up. Bank will be shown at forthcoming Bank Marketing Association Convention in Las Vegas at booth of Quality Incentives, Inc., Hartselle, Ala.

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WHERE IT COUNTS

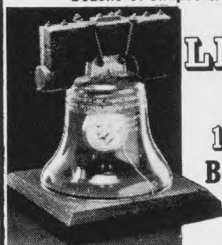
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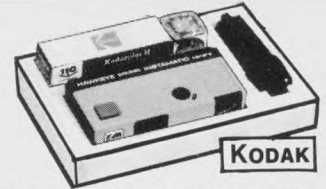
Bicentennial Planner

If you haven't buttoned down your firm's bicentennial celebration yet—or even if you have and think it can be improved—you'll find useful information in a bicentennial premium booklet entitled "The Bicentennial Bonanza, or How to Make Gold out of Silver," offered by International Incentives, a division of International Silver Co., Meriden, CT 06450.

The booklet is loaded with ideas that can help you effectively merchandise your participation in the bicentennial to your customers and prospects. It gives examples of bicentennial-related premiums and incentives, along with promotional advice to help make your firm's involvement in the bicentennial celebration both meaningful and productive.

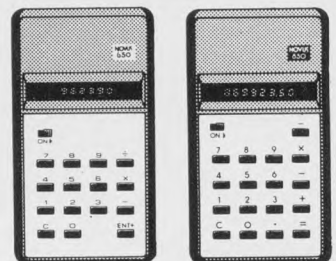
The booklet is free.

From POLLAK'S.... New LOW PRICES on 3 Top Premiums



HAWKEYE INSTAMATIC POCKET CAMERA OUTFIT.

Good news. And timely. A proven track record for success, and now reduced to \$10*, so you can offer Free or liquidate with deposit.



POCKET CALCULATORS

Incredibly High production from this leader leads to new low prices of 6-digit models: \$8.50* and on 8-digit with floating decimal: \$10*. Perfect for Back-To-School offers. (Just out—A honey of a slim checkbook-style model: \$21-24 units or more.)



L.E.D. DIGITAL WATCHES

Same story. Sophisticated mass production results in significantly lower prices... \$39.75*. A quality product. A strong new account incentive.

*Special pricing based on quantity used by Financial Institutions. On Camera & Watch, 100 units or more. On Calculator, 288 units or more, f.o.b. shipping point. (Cameras shipped ppd.)

Show them how to knock the nibble out of the Nibbledeuck



MILLIONAIRE'S KIT

A SHORT-TERM,
SMALL CHANGE
PROGRAM FOR SAVING \$100.00

Let that sneaky villain... the Nibbledeuck, show your savers how this plan can stop him from nibbling away at their money. It's Fun... It's Fast... It Works!

Unique service company, inc.

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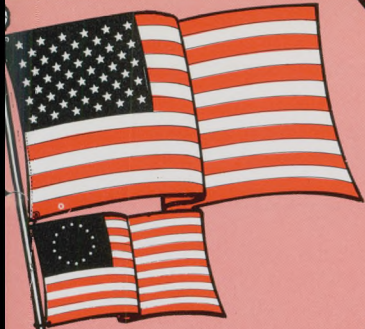
Savers fill a dime saver with \$5. the first week, a quarter saver with \$7. the next... in just a few short weeks they will have added \$100. to their accounts.

(312) 383-0822

WRITE OR CALL FOR SAMPLES OF THESE AND THE MANY OTHER PATENTED UNIQUE COIN SAVERS.

**MORE INFORMATION?
SAMPLES?
CONTACT POLLAK'S**

PARTICIPATE!



Betsy Ross Flag



Bennington Flag

Join the Bicentennial celebration and encourage your customers to participate as well. Whether as a Gift for Savers, Traffic Builder or Public Service offer, here are carefully selected items that are both dignified and appropriate.

BICENTENNIAL FLAG SET

Nice idea. We've included a 50-Star Flag, a Colonial Flag and longer pole so BOTH can be displayed at the same time.

(Later, by removing a section of the pole and using the Eagle Top, it converts to a standard Flag Set. \$5.00 per set.*

- 50-Star, 100% Cotton American Flag, size 3' x 5'.
- Either 13-star Betsy Ross or Bennington "76" Flag, 100% cotton, 2' x 3'.
- 3-Section 8' steel pole.
- "200-Year" Bicentennial top, plus "Eagle" top.
- Flag holder bracket, halyard, plus American Flag Descriptive Folder.
- Storage Carton.

LIBERTY BELL



Cast in metal and finished in bronze tones, this is the same official replica sold in Independence Hall. 2 1/4" high. Actually rings. Boxed, \$1.35 each.*

DOCUMENTS OF FREEDOM

A set of 7 Historical Documents re-created on aged parchment paper suitable for display and framing. Astonishingly realistic, they have the look, feel and "crinkle" of 200-year-old originals. In colorful display envelope. \$1.35 a set.

(THERE'S MORE... For other documents, individually or in sets, just ask.)

1. The Declaration of Independence
Approximate size: 11" x 14"
2. The Bill of Rights
Approximate size: 11" x 14"
3. The Constitution of the United States
Approximate size: 12" x 20"
4. Revolutionary War Battlefield Map
Approximate size: 11" x 14".
In red and black.
5. George Washington's CALL TO ARMS poster
Approximate size: 11" x 9"
6. Boston Tea Party poster
Approximate size: 9" x 11"
7. Patrick Henry's Speech
Approximate size: 9" x 11"

MEDALLION



An appropriate keepsake, this commemorative medal is 2" in diameter and made of Amerlite, a lustrous pewter-like alloy. \$1.35 each.*

COLONIAL MONEY



This set of replicas includes four coins and six "aged" Colonial Bills dated 1776, in a colorful folder. \$1.35 each set.* (Individual coins or documents are available on special order.)

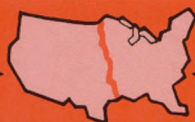
SPECIAL SAMPLE OFFER

Interested? Why not order samples and full information for your evaluation. We will be happy to accept your sample order for any of the items advertised at the quantity prices shown, plus shipping charges. (Please. No more than 1 of each item.)

* PRICES ARE BASED ON ORDERS OF 150 OR MORE PER ITEM.
F.O.B. Shipping point.

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Telephone: (415) 873-3232



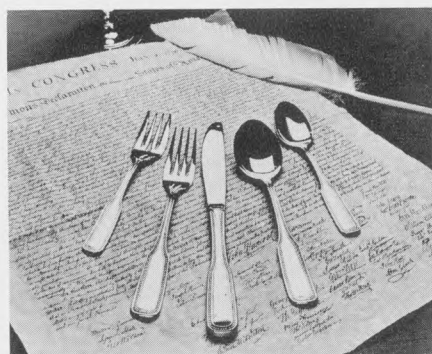
POLLAK'S EAST

470 Smith Street
Farmingdale, L.I., New York 11735
Telephone: (516) 694-4777

Items to Help Celebrate the Bicentennial

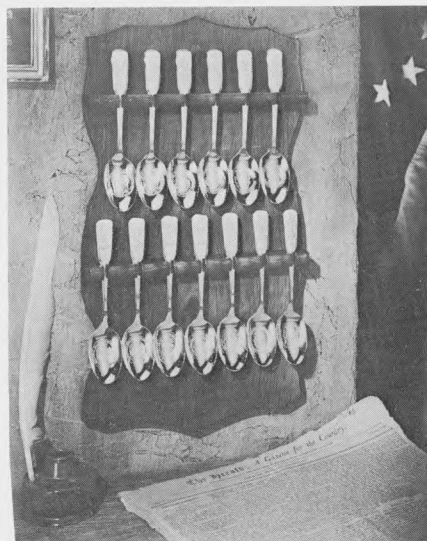
CELEBRATING the bicentennial now can be classed in the category of supporting motherhood and apple pie. Financial institutions have been quick to realize this fact—as have producers of bicentennial-related gifts and services.

The following premiums were culled from the hundreds being offered to banks and S&Ls to help them celebrate the nation's founding.



• A new stainless pattern called "1776" is available from Salem Silver-

smiths, a division of Salem China Co., Salem, O 44460. The items are made to resemble antique silver, but require no special polishing. The stainless comes in five-piece place settings and matching accessory pieces are available to give the premium offer continuity. Salem also offers bicentennial tile-trivets for collectors, featuring colonial scenes.



• A rack holding spoons from the 13 original colonies, which can be offered as a bicentennial premium, is shown in the photo. Spoons are available in silver or gold finish from Inter-

national Silver Co., 500 S. Broad Street, Meriden, CT 06450. The firm also offers a pewter collection featuring candlesticks, tankards and plates; pewter flatware; a bicentennial plate and other items.

• Phonograph records featuring bicentennial-related music and sound effects are offered by Pickwick International, Inc., Woodbury, N.Y. 11797. Included in the collection of records are "Happy Birthday to America!" and "Sounds of '76." Also included is the "Pledge of Allegiance," the "Star Spangled Banner," "America the Beautiful" and "Stars and Stripes Forever." The sound effects record includes the sound of "the shot heard around the world" and the tolling of the Liberty Bell.



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and CHECK COVERS**

"Factory-to-You" Prices!

- ★ Standard and special designs of Statement Savings, Check, and Special Accounts Covers
- ★ 14 Attractive Designs
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- Start business immediately at your new location . . .
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Financial Facilities portable modular units can even be customized to match your main structure.

Units include deluxe features:

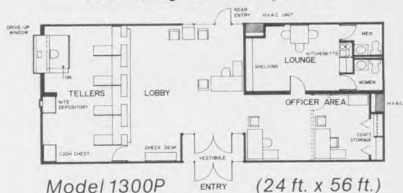
- Air Conditioning
- Electric Heat
- Kitchen Area
- Carpeting
- Desks, Chairs and Files
- Drive-Up Window
- Cash Safe
- Hold-Up and Burglar Alarm Systems
- Camera
- Teller's Counters and Check Desk
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As little as \$1,200 per Month Fully Equipped

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Planners of over 300 Financial Institutions.



A variety of floor plans:



Model 1300P (24 ft. x 56 ft.)

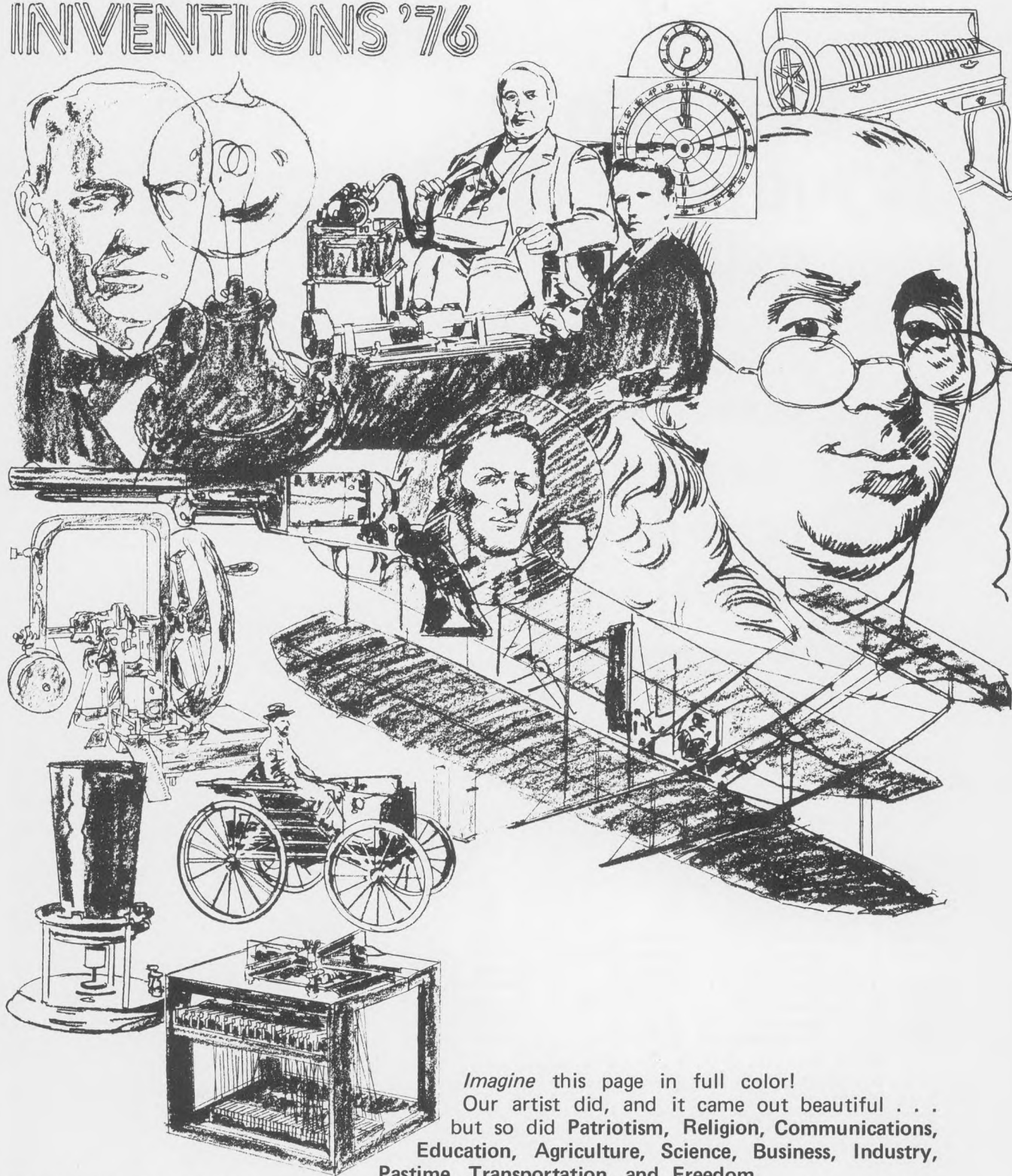
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INVENTIONS '76



Imagine this page in full color!

Our artist did, and it came out beautiful . . .

but so did Patriotism, Religion, Communications,
Education, Agriculture, Science, Business, Industry,
Pastime, Transportation, and Freedom.

The BankVertising Company is proud of America, its achievements, its opportunities, its ideals, and its freedoms. We wanted to create a worthwhile memorial for its 200th anniversary — one that *you* would be proud to share with your customers and community. For your free booklet "AMERICAN DREAM MAKERS" simply drop us a note or phone; we'll be happy to fulfill your request.

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BANKVERTISING
COMPANY **BV**

1300 Hagan, Champaign, Illinois 61820

(217) 356-1339

This logo is yours for the asking



Next year when our nation celebrates its 200th anniversary, most American firms and businesses would like to publicly reaffirm their belief in America. To help make it possible for everyone to say "Happy Birthday America," the 1,600 member firms of the Specialty Advertising Association International would like to donate, free of charge and without obligation, the use of the logo shown above.

Separations suitable for one-color and two-color reproduction are available for use on any firm's:

- Letterhead
- Direct Mail
- Sales Literature
- Calling Cards
- Newspaper Advertising
- Exhibits
- Outdoor Advertising
- Packaging
- Annual Report
- Employee Communications
- Invoices
- Postage Meter
- Catalog
- TV Spots/Commercials
- Magazine Advertising
- P-O-P Displays
- Transit Advertising
- Shipping Materials
- House Organ

Naturally we feel Specialty Advertising should head the list and your local advertising specialty counselor will certainly be happy to help you select some useful article that combines the Bicentennial logo and your own to help your firm celebrate the occasion. But there's no obligation to use Specialty Advertising if it doesn't fit into your selling plans. To obtain separations of the "American Bicentennial 1776-1976" logo, simply ask the specialty advertising counselor that calls on you (look under "Calendars" or "Advertising Specialties" in the Yellow Pages) to order one for you. You'll receive your American Bicentennial one-color and two-color separations by first-class mail. Free.

HAPPY BIRTHDAY AMERICA!
from the 1,600 member firms of the

Specialty Advertising Association



International



• One way to call attention to your institution's bicentennial program is to stripe your parking lot with red, white and blue stripes! A bicentennial striping machine is offered by Fox Valley Marking Systems, Inc., Bartlett, IL 60103, that can decorate a parking lot surface with concrete, asphalt or blacktop. It also can be used for other striping jobs. Photo shows machine loaded with three cans of paint, laying down three colors at once.

WANTED IN BMA TERRITORY!

Any Commercial Bank
that is not a member of the
Bank Marketing Association of
Chicago

Non-member banks have been robbed of a valuable source of ideas and information by their continuing non-membership in the Bank Marketing Association. Join up with the BMA gang and capture a gold shipment of new marketing ideas by attending BONANZA '75 our 60th Annual Convention, Las Vegas, Nevada on September 28-October 1, 1975. Make a fast getaway from your competition by capturing business development, advertising, public relations and sales training tips from BMA Territorial Headquarters which houses the largest bank marketing library in the world. Lasso practical how-to-do-it ideas from more than 20 publications available to BMA members.

Join up with the BMA gang by contacting D. J. White, Vice President, Republic National Bank of Dallas (214) 653-5000 or Culver Turlington, Vice President, Bank of the Southwest, Houston, Texas (713) 225-1551.



BANK MARKETING ASSOCIATION
309 WEST WASHINGTON STREET, CHICAGO, ILL. 60606
312/782-1442



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SAN FRANCISCO, CALIFORNIA

QUALITY LONG LASTING TOP GRAIN LEATHERS DESIGNED FOR BANKING

SHOW CASE FURNISHED WITH EACH PACKAGE PLAN

- TOP-GRAIN LEATHER PRODUCTS DESIGNED FOR BANKING DISPLAYED IN THE ABOVE FURNISHED LOBBY SHOW CASE
- THIS SHOW CASE FITS SNUGLY IN YOUR RED-CARPET OR RAPID-SERVICE LINE
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YOUR BANK LOGO EMBOSSED ON THE ITEM GIVES CONTINUOUS CUSTOMER AND PERSON-TO-PERSON ADVERTISING — "A NEW ACCOUNT GETTER".
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PLUS

- ⇒ The "New Faces of Christmas" ... a dynamic coordinated program concept that will generate uncommon interest . . .

PLUS

- ⇒ An all new view of Data Capture.*

SEE IT ALL ... IN ACTION

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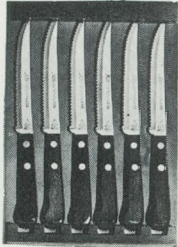
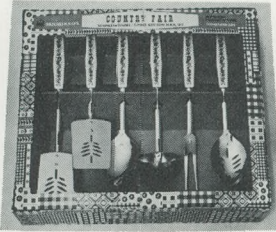
or contact Marketing Dept.

P.O. Box 20, Easton, Pa. 18042

*Research program successfully underway and significant data available on request.

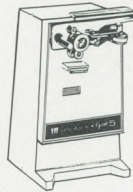
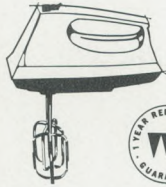
INCREASE YOUR SAVING DEPOSITS !

\$500.00 Deposit



7 piece Kitchen Tool Set
with stainless finish!
6 piece Steak Knife Set
in wood block!
6 piece Cutlery Set!

\$1000.00 Deposit

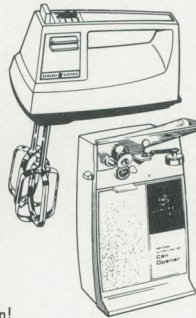


3 speed Hand Mixer!
Automatic electric Can Opener!

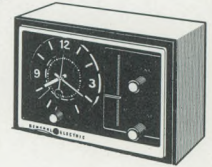
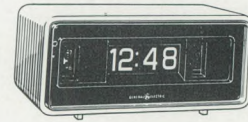
\$2000.00 Deposit



G.E. steam & dry Iron!
G.E. electric Can Opener!
G.E. 3 speed Hand Mixer!



\$5000.00 Deposit



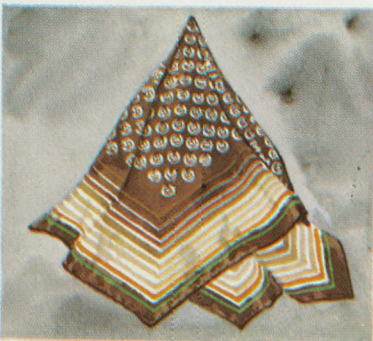
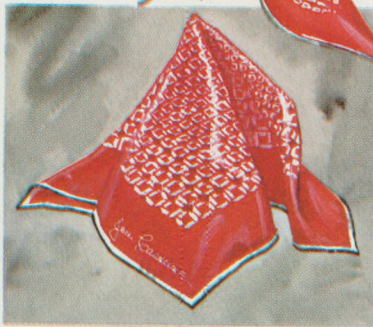
G.E. Styler/Dryer/Detangler!
G.E. digital Alarm Clock!
Steam & dry Iron—non-stick finish!
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G.E. Clock Radio!

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Take a tip from Chase Manhattan, First National City, Chemical, and Continental Bank of America. To publicize their names, they turn to Harvale ties and scarves. As identifying accessories for employees. As premiums for new accounts and safe-deposit box holders. As gifts to suppliers. You get new visibility for your corporate image, at minimal cost. Ask Harvale to weave *your* bank logo into top quality, 100% polyester ties and scarves that spot-wash easily. For quick follow-up, write or call today.

[Minimum order, ties 1 gross, scarves 300.]

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Tremendous For All Your Promotional Programs

YOUR COST: \$4.95 each

Beautifully crafted in rich silver finishes, arrayed with simulated turquoise stones, these unusual jewelry items are fabulous re-creations of authentically styled Indian jewelry. Available at the fantastically low price of **\$4.95 each**.

See Opposite Page
for Illustrated Items

1 — PRINCESS. 2-pc. set.

Bracelet and Pierced Earrings.

PACK: 12

Your Cost: \$4.95 Per Set

5 — INDIAN LORE TOTEM NECKLACE.

Crescent shaped naja with 24" adjustable chain.

PACK: 12

Your Cost: \$4.95 Ea.

2 — GODDESS. 2-pc. set.

Bracelet and Pierced Earrings.

PACK: 12

Your Cost \$4.95 Per Set

6 — GODDESS.

Squash Blossom necklace with 24" adjustable chain.

PACK: 12

Your Cost: \$4.95 Ea.

3 — LITTLE FLOWER. 2-pc. set.

Adjustable Necklace and Pierced Earrings.

PACK: 12

Your Cost: \$4.95 Per Set

7 — PRINCESS

Squash Blossom necklace with 24" adjustable chain.

PACK: 12

Your Cost: \$4.95 Ea.

4 — POCAHONTAS. 2-pc. set.

Bracelet and Pierced Earrings.

PACK: 12

Your Cost: \$4.95 Per Set

8 — POCAHONTAS.

Squash Blossom necklace with 24" adjustable chain.

PACK: 12

Your Cost: \$4.95 Ea.

— ALL ITEMS COME PACKAGED ELEGANTLY IN GIFT BOXES —

YOUR COST: \$4.95 EACH

TERMS: Net 15 days - F.O.B., Lincolnwood, (Chicago), Ill.

PROMOTIONAL MATERIAL: GLOSSIES available at no charge.

COLOR CATALOG SHEETS: \$25.00 per thousand

COUNTER DISPLAY CASES: available on LOAN

BUY-BACK: BRANDMARK will BUY-BACK all our "AMERICAN INDIAN JEWELRY" after your promotion ends. Under our BUY-BACK agreement - just ship merchandise to BRANDMARK "Freight Prepaid" and we will forward payment upon arrival.

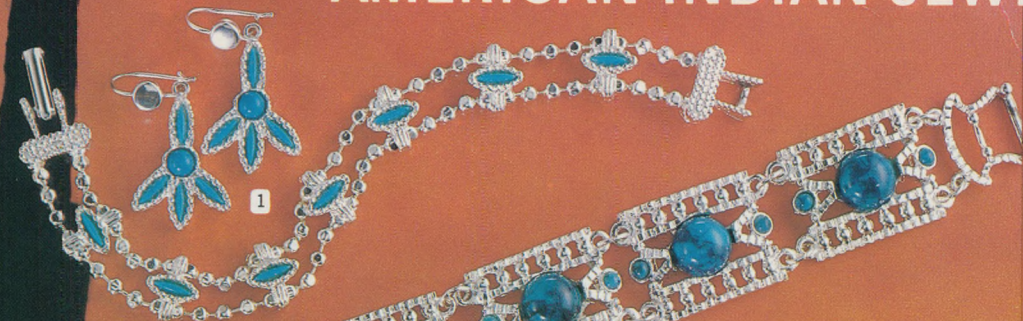
P.S.—Because we maintain LARGE INVENTORIES on all items - shipments can be made immediately.

SAMPLES may be purchased at above price plus shipping charges and can be returned for full credit.

BG/50

Mike Brand

AMERICAN INDIAN JEWELRY



1



2



3

FABULOUS RE-CREATIONS OF AUTHENTICALLY STYLED AMERICAN INDIAN JEWELRY

*Arrayed with Simulated Turquoise Stones
Rich Silver Finishes • Pierced Earrings Have
1/20 14Kt Gold wires.*

1 **PRINCESS.** 2-pc. set. Bracelet and Pierced Earrings.

2 **GODDESS.** 2-pc. set. Bracelet and Pierced Earrings.

3 **LITTLE FLOWER.** 2-pc. set. Adjustable Necklace and Pierced Earrings.

4 **POCAHONTAS.** 2-pc. set. Bracelet and Pierced Earrings.

5 **INDIAN LORE TOTEM NECKLACE.** Crescent shaped naja with 24" adjustable chain.

6 **GODDESS.** Squash Blossom necklace with 24" adjustable chain.

7 **PRINCESS.** Squash Blossom necklace with 24" adjustable chain.

8 **POCAHONTAS.** Squash Blossom necklace with 24" adjustable chain.



5



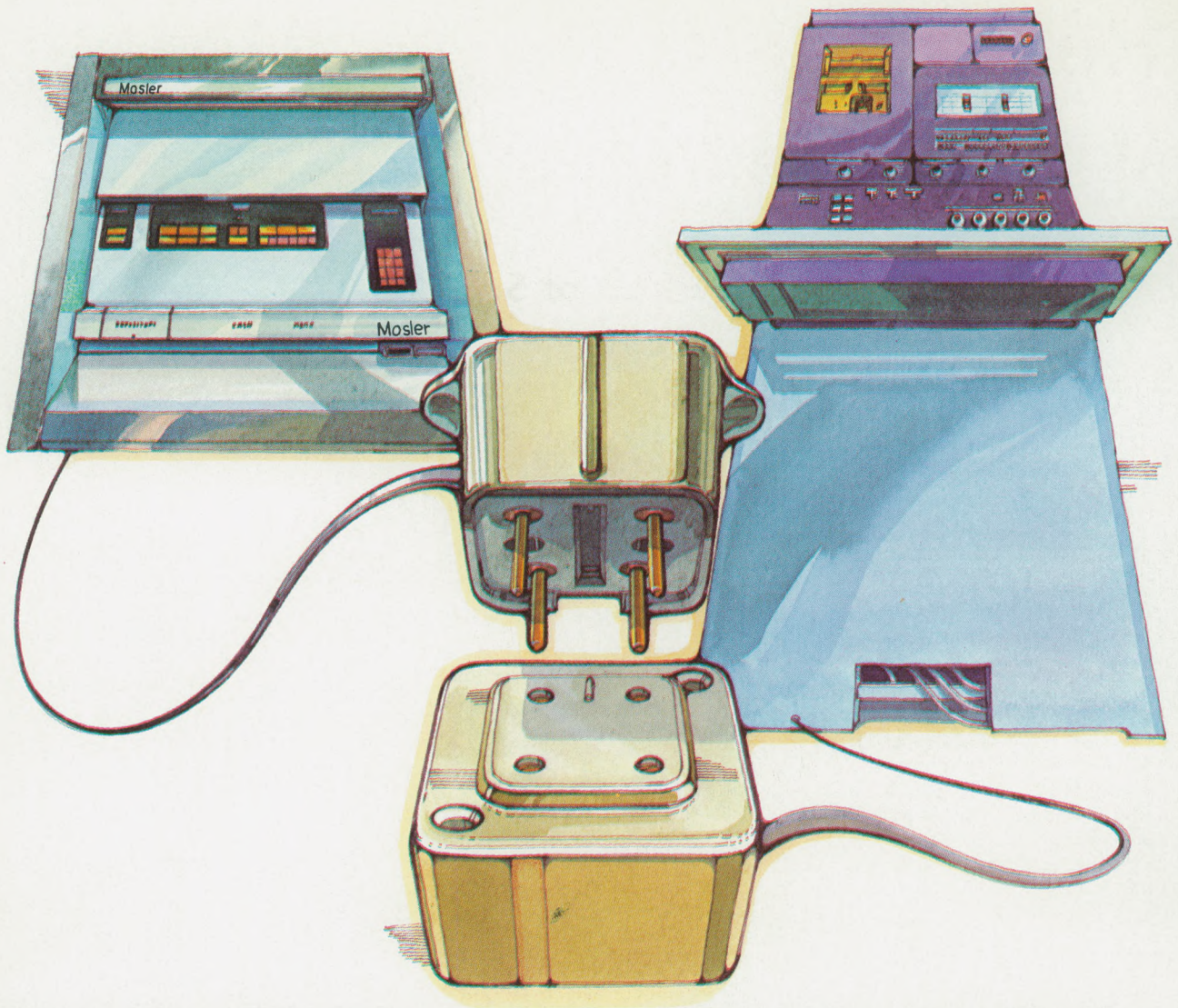
6



7



8



Plug to plug! No automatic teller system goes on-line easier than Teller-Matic.[®]

Order most automatic teller systems and you'll get hardware. Order the Mosler Teller-Matic and you'll get not only the industry's most advanced automatic teller, but a system that is plug-to-plug compatible with 90% of all main-frames. You read that right: plug-to-plug!

We began by specifying the most capable mini-computer ever used in automated teller design: the DEC PDP-11. We chose it for its flexibility and popularity as a telecommunications processor.

To its 4K of non-volatile memory, we added an additional 64K of rotating mass memory, and tied it all together with a VS operating system developed by Mosler. The result is a 68K processing system. (And wouldn't you rather

put that on-line than a 4K or 8K mini?)

We continued in the Mosler systems development laboratory. Here, our specialists developed emulations for a wide range of controllers and terminals operating Teller-Matic in an on-line relationship. The result was a series of complete software packages for the EDP equipment most widely used by today's financial institutions.

The point is, there's more to Mosler Teller-Matic than just hardware. Pre-designed software. Consultation with our staff of systems specialists. Customer experience profiles. The complete automatic teller package.

Write us. We'll send you our software services portfolio, including a software block diagram for your equipment.



Mosler

An American-Standard Company

HAMILTON, OHIO 45012

BG/52

'Hot Topics' to Be Spotlitged At Bank Marketing Convention

EFTS, CBCTs, Direct Deposit of Social Security Checks To Be Among Subjects on Program Sept. 28-Oct. 1

ELECTRONIC FUNDS transfer systems, customer bank communications terminals, automated clearing houses and direct deposit of social security checks—all "hot" topics of 1975—will be discussed at the annual convention of the Bank Marketing Association. The meeting has the theme, "Bonanza '75—a Gold Mine of Information," which is appropriate since it will be held in Las Vegas September 28-October 1. The Las Vegas Hilton will be the headquarters hotel, while convention sessions will be held at the Las Vegas Convention Center.

In addition to these newsmaking sub-

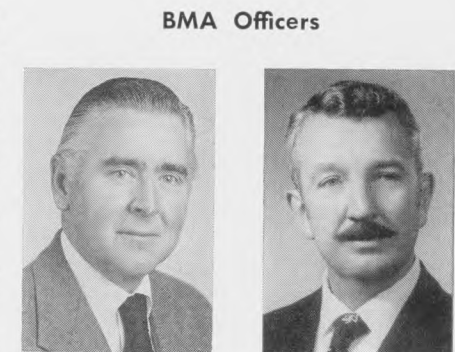
jects, BMA members also will hear a newsmaking personality—Ronald Reagan, who will be the keynote speaker at the September 29th general session. Mr. Reagan, former two-term California governor and movie actor, is considered by many to be a potential candidate for President on the Republican ticket in 1976.

The traditional rap sessions/continental breakfasts, departmentals and workshops, along with the general sessions, will take up most of the convention program.

Rap sessions, scheduled for September 30 and October 1, will be held concurrently for large banks and for community banks. During the large-bank segment, topics will include "Public Affairs—What Happens to Programs When There's Earnings Pressure," "Demand Deposits—Cash Management, Bundled Accounts, the Return to Service Charges—Can They Really Be Marketed?," "EFTS and the New Technologies—Will They Dictate New Product Strategies?," "Electronic Transactions—Who Will Be Your Competition in 1978" and "Positioning—All Banks Are Not Alike."

Community-bank rap sessions will be held on such subjects as "How to Use an Advertising Agency or Marketing Staff Man," "Novel Approaches to Marketing Situations," "Premium-Sharing Ideas—Community Support Versus Giveaways," "Extended Hours—How Profitable?," "Special Groups—Special Service Packages?" and "Selecting Media in a Community-Bank Market."

Departmentals will be held September 29 and October 1 and 2 and will cover topics like "The Implications of Consumerism for Advertising," "Marketing's Role—Wholesale Banking," "Manpower Development via Incentive Programs," "What's the Purpose of the Annual Report?," "Should Banks Advertise Their Opinions on Public Issues?," "Bankers Buy EFTS—Will the Public?" and "What an Advertising Di-



CALLAN

DOMM



HERMAN



DAVIS

Convention Speaker



REAGAN

rector Should Know About Research."

Workshops also are scheduled for September 29 and October 1 and 2. During the large-bank portion of the workshops, topics to be discussed will include "The Competition—NOWs in the East, Terminals in the Midwest, Chain Stores in the West," "New Opportunities for Building Time Deposits

Convention Program

Sunday, Sept. 28:

First Timers Orientation and Reception.

Early Birds Reception.

Educational Exhibits Open.

Spouses Hospitality Suite Open.

Monday, Sept. 29:

Special General Session Keynote

Speaker: Ronald Reagan.

Spouses Program.

Poolside Luncheon Break.

Hospitality Suites.

Educational Exhibits.

Tuesday, Sept. 30:

1975 Best of TV Commercials Film.

Special Golden Coin Awards Presentation.

Chapter and Membership Recognition.

Special Spouses Tour of Lake Mead and Hoover Dam.

Poolside Luncheon Break.

Educational Exhibits.

Wednesday, Oct. 1:

Special General Session Speaker: Ed McMahon.

Poolside Luncheon Break.

Pre-Banquet Reception.

Dinner Dance and Banquet, With Les Brown and the Band of Renown.

Through HR 10s and IRAs," "Sales Training—Who Needs It?," "The Marketing Potential for Direct Deposits," "Automated Clearing Houses—How to Adapt to the Environment," "CBCTs—How Do You Use Them? Where Do You Put Them? How Do You Market Them?" and "Bank Services as Employee-Benefit Packages—Will They Sell?" Subjects planned for the community-bank workshops will cover "EFTS I—An Overview for the Small Bank," "EFTS II—the Impact of Automated Clearing Houses (ACHs) and Point-of-Sale Systems on Your Bank," "How the 1976 Economy Will Affect Your Growth and Profits," "The Newcomer—Your Easiest Prospect," "Sales-Training Programs That Work," "Small Banks Should (Should Not) Have an Advertising Agency" and "Marketing Trust Services and the Independent Retirement Account."

"Marketing for Nonmarketing Executives" again will be part of the convention program. This special session is conducted for line and executive officers who seek a solid grasp of marketing principles.

Ed McMahon of the "Tonight" show will discuss Anheuser-Busch's marketing story.

The "Golden Coin" awards—the BMA's annual awards competition for the best marketing and public affairs campaigns—will be announced during

the meeting. The awards program will include "best of TV" and chapter and member recognition.

Winner of the "best of show" trophy in the Golden Coin awards competition will receive a scholarship to the BMA School of Bank Marketing at the University of Colorado, Boulder.

BMA Officers. Current officers of the association are: president, C. Harry Domm, vice president, Girard Bank, Philadelphia; first vice president, Eugene J. Callan, executive vice president, New York Bank for Savings, New York City; second vice president, Clifford Y. Davis, vice president-corporate planning, First Tennessee National Corp., Memphis; and treasurer, Raymond O. Herman, executive vice president, Dardew Research Corp., Atlanta.

Golden Coin Entries Offered On Microfiche by BMA

The Bank Marketing Association now offers its entire collection of 1969-74 Golden Coin entries in convenient microfiche format. The Golden Coin competition is conducted annually to select and award banks that have produced outstanding marketing programs or socially productive public affairs campaigns during the year. In the past, only original copies of Golden Coin contest entries have been available to BMA members.

With the new microfiche method of

distribution, bank marketers can develop their own desk-side library of these bank marketing efforts. When banks ordered Golden Coin material in the past, they often would have to wait for the loaned original to be returned to BMA headquarters before they could obtain it. Now, members can purchase and receive their own original copies immediately.

More information about the microfiche program may be obtained from: Nancy Klaprat, Director, Information Services, Bank Marketing Association, 309 West Washington Street, Chicago, IL 60606.

How Much?

New BMA Publication Lists Marketing Costs

To help bank officers gain a clearer insight into expenditures by other institutions, the Bank Marketing Association has published an *Analysis of 1974 Bank Marketing Expenditures*.

Drawn from a sampling of the entire commercial banking industry in the U. S., the analysis groups institutions in seven categories according to deposit size. Groups range from "under \$25 million" to "over \$1 billion." Expenditures are given according to service and type of expense, as well as by population size of market served. Salary disbursement information is included.

The study contains other findings pertinent to the topic: The use of advertising agencies, marketing research firms, public relations agencies and management consultant firms continued to increase during 1974, despite the uncertain economic conditions.

Newspaper and radio were the largest expenditure type, except in banks having over \$500 million in deposits, where TV was the No. 1 medium, according to the BMA report.

Copies of the *Analysis of 1974 Bank Marketing Expenditures* are available for \$12 each to BMA members and \$25 each to nonmembers by contacting: Order Department, Bank Marketing Association, 309 West Washington Street, Chicago, IL 60606.

- Samuel J. Tenuto has been named director of the Bank Marketing Association's in-bank training services department. Prior to his appointment, Mr. Tenuto was creative services manager, McDonald's Corp., Oak Brook, Ill.

'Bank Amerrycard' Campaign Wins Awards



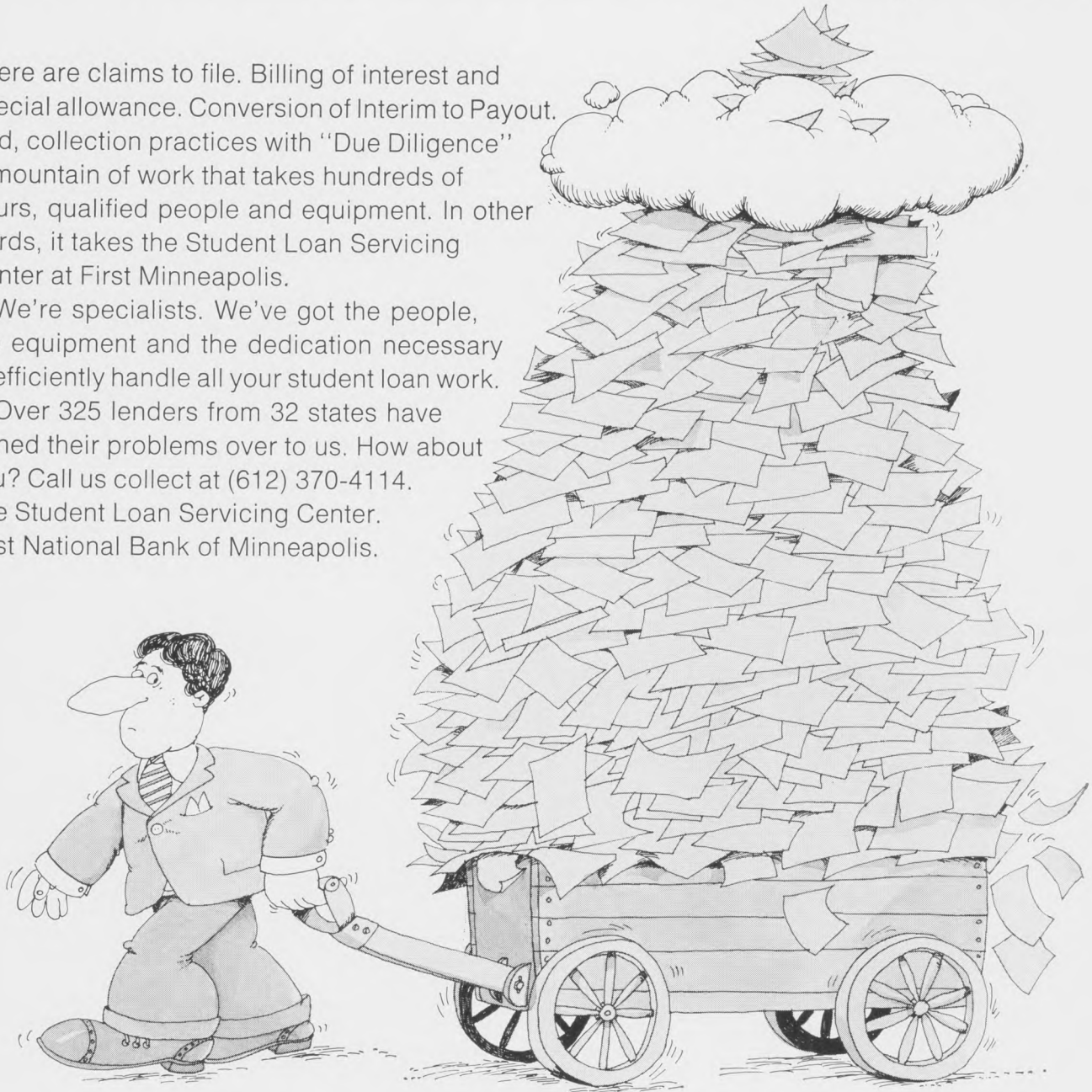
Pictured above is an example of the city bus advertising used by First Nat'l, Memphis, during November and December, 1974. The "Bank Amerrycard" logo tied in with the Christmas season and was chosen by the American Advertising Federation as winner of the "Best in Memphis" and "Best in the Seventh 'Deep South' District," qualifying it for national competition. John Malmo Advertising, Memphis, originated the design.

When it comes to student loan administration, bring the mountain to First Minneapolis.

There are claims to file. Billing of interest and special allowance. Conversion of Interim to Payout. And, collection practices with "Due Diligence" A mountain of work that takes hundreds of hours, qualified people and equipment. In other words, it takes the Student Loan Servicing Center at First Minneapolis.

We're specialists. We've got the people, the equipment and the dedication necessary to efficiently handle all your student loan work.

Over 325 lenders from 32 states have turned their problems over to us. How about you? Call us collect at (612) 370-4114. The Student Loan Servicing Center. First National Bank of Minneapolis.



Student Loan Servicing Center • First National Bank of Minneapolis • 120 South Sixth St., Minneapolis, Minnesota 55402 • Member FDIC

MID-CONTINENT BANKER for September, 1975

Changes in Policies, Practices, Operations Planned for Comptroller's Office

AN UPDATED examination and supervision function, an early warning system and other changes are planned by the Office of the Comptroller of the Currency as a result of an outside study made of the office. This was the first comprehensive review of the office in the latter's 112-year history.

The study was promoted by the rapid evolution of dramatic change within the banking industry in recent years. In May, 1974, the Comptroller's office commissioned a consortium headed by Haskins & Sells, an accounting and consulting firm, to analyze the office and recommend specific procedures for modernizing and improving its structure and operations to ensure the highest possible degree of effectiveness and efficiency.

After reviewing the office's current policies, practices and procedures and evaluating the extent to which it has achieved its stated objectives, Haskins & Sells developed the following major recommendations:

Update the examination and supervision function, with more emphasis on reviewing, analyzing and evaluating bank-management decisions and less on performing detailed verification procedures. Examination techniques will be applied with greater emphasis on banks with problems relating to soundness or liquidity.

Establish an early warning system, to be known as the National Bank Surveillance System (NBSS) to identify changing situations in the banking industry and in individual banks. This system will encompass certain modifications in reporting by banks to ensure uniformity and timely availability of the data.

When fully operational, the NBSS will include a computer-assisted system utilizing financial and nonfinancial data supplied by banks. This information will be compared with similar data from other national banks on a peer-group basis according to size and other factors. The comparison will be designed to point up variances that might show trends developing within the industry that should be brought to the attention of the senior policy committee

of the office for consideration.

In addition, an analysis of the data is expected to reveal anomalies in individual banks. These anomalies will be referred to the NBSS staff in Washington during the initial stages of the system's installation. As the system is more fully developed, variances in individual banks also will be examined by NBSS specialists who will be added to the regional office staffs.

In conjunction with the NBSS, the office's enforcement and compliance capabilities will be strengthened to deal more effectively with banks that imperil the soundness of the national banking system.

The NBSS' implementation will be supervised by the deputy comptroller for special surveillance, a newly designated top-level function. Robert A. Mullin has been given this post. A member of the Comptroller's staff since 1948, Mr. Mullin had been a statutory deputy comptroller since last January.

In the corporate regulatory function area, recommendations include transferring to the 14 regional offices some of the responsibilities currently assigned to the Washington office, thus permitting the latter office to concentrate on overall policy decisions. The corporate function relates to such activities as charters, mergers, conversions, capital changes and name and location changes.

Among specific recommendations in this area are delegating branching and certain other decisions to the regional offices; adopting formal written policies regarding all corporate activities and improving application forms and processing procedures for corporate functions.

In line with other recommendations in this area, the Comptroller's office will issue periodic bulletins to national banks and the public containing changes in rules and regulations that affect national banks, relevant legislative developments, etc. These bulletins will be supplemented in the regions with data on applications filed and actions taken.

One of the principal recommendations made by Haskins and Sells after an analysis of the office's internal or-

ganization and operations was to form a senior policy-making group. This was done in July with the appointments of Robert Bloom as first deputy comptroller for policy and H. Joe Selby as first deputy comptroller for operations. Mr. Bloom was chief counsel for the Comptroller's office, and Mr. Selby had been regional administrator for the 14th Region (San Francisco).

The senior policy-making group principally is charged with identifying strategic objectives and implementing the steps necessary to attain these objectives.

Additional line functions under the restructuring of the Washington office personnel will be delineated as the various recommendations are implemented. The office also will be formalizing its planning process to assist the senior policy-making group in planning, coordinating, managing and controlling its policy decisions affecting bank supervision and regulation.

Another significant advance in the internal organization and operations of the office is adoption of an operations review program. This new function will be directed by a senior-level executive, the newly named deputy comptroller for operations review, Thomas G. DeShazo. He has been with the Comptroller's office since 1949 and had been a statutory deputy comptroller since 1963. In his new post, he will provide a continuous evaluation of all activities of the Comptroller's office.

In connection with other recommendations on the internal organization and operations of the office, the human resources division will be strengthened for the purpose of improving such areas as training, manpower planning, recruitment, employee relations, compensation and benefit programs and career development.

In addition, improvements have been recommended for processing data relating to the office's internal operations in the area of administrative and fiscal activities.

The Comptroller's office currently is working with Haskins & Sells to initiate the study's implementation phase, which is expected to take nine to 18 months. • •

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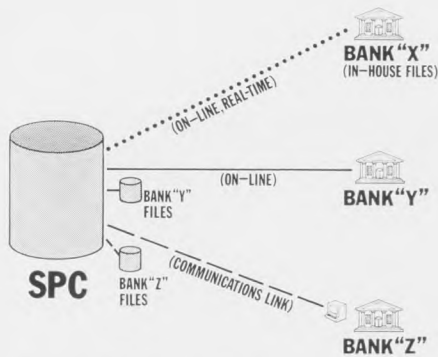
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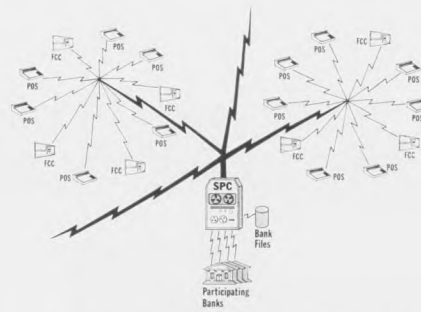
For complete information and sample copies of our reports, write or call John Alexander, (312) 461-7515; Jerry Jurs, (312) 461-7612; or Fred Young, (312) 461-7525.



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All member banks of the FCS network may participate from one of three user categories, here designated as "X," "Y" and "Z." See article text for further explanation.



POS and FCC terminals will be linked over an electronic communications network to FCS's switching and processing center (SPC), which maintains constant contact with participating banks, or with in-house files provided by some banks.

Nation's First EFT Consumer Banking System Prepares to Sign Up Bank Participants

Informational meetings to be held in October

A RECENTLY organized firm headquartered in St. Louis soon will bring into being the nation's first operational electronic consumer banking communications system, involving up to 2,300 banks in a five-state area.

The firm is Financial Communication Systems (FCS) and its task is to develop a five-state EFT system that eventually will consist of some 130 financial convenience centers (FCCs) and 6,000 point-of-sale (POS) terminals. The system will permit the customers of any participating bank to use any of the FCCs or POS units to do their banking or pay vendors for goods and services.

The five states are Missouri, Kansas, most of Illinois, western Kentucky and a portion of Iowa.

FCS has a big story to tell bankers in the five-state area, and it will begin informing bankers about its plans about October 15, when it begins a series of half-day seminars in key locations in the system, such as St. Louis, Kansas City, Davenport, Ia., Jefferson City, Mo., and Springfield, Ill.

At these meetings, bankers will be filled in on the details of the FCS operation and they will be given the opportunity to sign up as participants in the network, which is scheduled to begin initial operations in the third quarter of 1976.

FCS was formed early this year as a not-for-profit corporation to intro-

By **JIM FABIAN**
Associate Editor

duce a system of shared electronic facilities for consumer banking. The system, according to John G. Regan, executive vice president, will consist of an electronic communications network that will enable participating banks to provide remote access to a wide range of consumer banking services to their customers.

By using the FCCs, bank customers will be able to obtain funds from their checking or savings accounts, make deposits, make transfers between accounts and obtain charge card cash advances, etc. Depending on the bank with which they are doing business, they will be able to transact other services, such as using a prearranged line of credit.

At the POS terminals, an account holder will be able to have his check guaranteed by the bank or, in lieu of a check, the amount of payment will be automatically transferred from the account holder's checking or savings account to the account of the store in which the POS terminal is located. Other services will be available, depending on the policies of the store involved.

Thus, upon completion of the FCS network, any participating bank's account holder will be able to travel

throughout the five-state area without taking money or checkbook, as long as he has his plastic bank services card and remembers his personal identification number (PIN), both of which are necessary to make use of the system.

Initial sponsors of FCS are 10 banks from throughout the FCS network: Boatmen's National, City Bank, First National and Mercantile Trust, St. Louis; Traders National and United Missouri, Kansas City; Commercial National, Kansas City, Kan.; Central Trust, Jefferson City, Mo.; First National, Belleville, Ill., and Davenport (Ia.) Bank.

The sponsoring banks are providing funds for FCS's initial operations. Personnel from the 10 banks also staff FCS's many committees, now at work designing and preparing to implement the system. But none of the 10 are as yet members of the FCS network.

FCS came into being with excellent credentials. It was formed by Credit Systems, Inc. (CSI), which is the Master Charge operating center for the same general area that will comprise the FCS network. FCS officers and design personnel also developed CSI, but the two corporations are separate and distinct from each other, according to Mr. Regan. The expertise that CSI has shown in its Master Charge activity and that has won acclaim throughout the nation uniquely qualified CSI personnel to aid in the formation of FCS,

BNO PROGRESS

January to July, 1975

THE BANK OF NEW ORLEANS AND TRUST COMPANY
AND SUBSIDIARY

Consolidated Statement of Condition

ASSETS	June 30 1975	June 30 1974
Cash and Due from Banks	\$ 42,000,076	\$ 49,234,017
U. S. Treasury Securities	22,282,008	16,047,468
Securities of Other U. S. Government Agencies	22,433,818	15,997,265
Obligations of States and Political Subdivisions	42,719,602	46,282,206
Other Securities	780,000	780,000
Federal Funds Sold	32,000,000	34,950,000
Securities Purchased under Agreements to Resell	1,093,500	13,400,000
Loans Outstanding	211,248,512	208,348,188
Bank Premises and Equipment	3,084,355	2,988,215
Interest Earned but Not Collected	3,305,161	3,451,609
Customers' Liability on Acceptances	100,677	39,990
Other Assets	2,634,461	2,926,665
TOTAL ASSETS	\$383,682,170	\$394,445,623
LIABILITIES		
Demand Deposits	\$119,775,298	\$116,925,633
Savings Deposits	42,387,710	37,035,817
Time Deposits	149,468,343	147,173,099
TOTAL DEPOSITS	\$311,631,351	\$301,134,549
Federal Funds Purchased	29,400,000	38,385,000
Securities Sold under Agreements to Repurchase	4,011,000	18,030,000
Accrued Taxes and Interest	4,485,975	3,793,640
Unearned Discount	4,748,850	5,770,702
Quarterly Dividend Payable	141,430	141,430
Liability on Acceptances	100,677	39,990
Other Liabilities	407,081	25,198
TOTAL LIABILITIES	\$354,926,364	\$367,320,509
RESERVE		
Reserve for Possible Loan Losses	\$ 3,580,357	\$ 3,381,674
CAPITAL		
Capital Notes	\$ 4,250,000	\$ 4,250,000
Common Stock, \$12.50 Par Value, 400,000 Shares Authorized, 250,000 Shares Issued and Outstanding	3,125,000	3,125,000
Surplus	12,875,000	12,875,000
Undivided Profits	4,925,449	3,493,440
TOTAL SHAREHOLDERS' EQUITY	\$ 20,925,449	\$ 19,493,440
TOTAL CAPITAL	\$ 25,175,449	\$ 23,743,440
TOTAL LIABILITIES, RESERVE AND CAPITAL	\$383,682,170	\$394,445,623
Contingent Liability on Letters of Credit Issued but Not Drawn Against	6/30/75—\$ 6,732,245	6/30/74—\$14,210,830



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Survey indicates public is willing to pay for FCS services, in form of transaction charge and/or yearly card fee.

Mr. Regan said.

FCS is in what is known as "phase one" of its development, which, when completed in the third quarter of 1976, will see the initiation of the network in its first markets, which would include the St. Louis and Kansas City metropolitan areas. At that time, FCS officials estimate that up to 30 FCCs and 1,000 POS terminals will be in operation.

Completion of the original network configuration is tentatively scheduled for early 1979, when 130 FCCs and 6,000 POS terminals will be in use. Estimated cost of the system is \$38 million.

Participation in FCS is open to any bank in the five-state area of the network. All banks, regardless of their data processing capabilities, will be able to participate.

Each participating bank will be placed into one of three user categories:

- Banks whose demand deposit and savings account files are retained in-house and which will have on-line, real-time interface with one of FCS's switching and processing centers (SPCs). These files would be linked with the customer by the new communications network to accommodate transaction of the customer's business from either POS terminals or FCCs. There would be a daily reconciliation of traffic between the SPC and the bank.

- Banks that would place a condensed subset of their demand deposit and savings account files at the SPC. These files can be updated over a computer communications link from time-to-time throughout the day. All transactions would be cleared using the files at the SPC during the day and reconciliation with the bank files would be completed during off-hours processing.

- Banks that would have a subset of their demand deposit and saving account files at the SPC, but with no computer communications link. This type bank would have access to the SPC files by video terminal or a similar communications device.

It is expected that each bank's initial contractual fee will be proportionate, based on the number of personal accounts, number of accounts it places in the network, etc. There may also be an account set-up service charge for each bank services card.

The network's facilities will be com-

posed entirely of POS terminals and free-standing FCCs. The FCCs will contain automatic teller units and will be available 24 hours a day. The supplier of the hardware has not been selected yet, but it is expected that the units will be specially tailored to conform to FCS's standards.

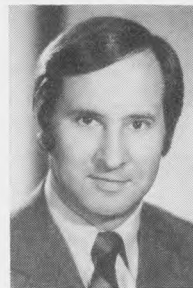
The FCCs and POS terminals will be activated by a bank services card and, in some cases, a four-digit personal identification number (PIN). Existing bank cards, such as Master Charge or BankAmericard, were found to be inappropriate for such a network, according to Mr. Regan, since only a minority percentage of the typical bank's customers carries or qualifies for charge cards. The FCS network has nothing to do with typical charge card activities and, since participating banks can be expected to offer FCS cards to almost every account holder who wishes to participate, there is a need for a special card.

Cards will be given to each person for his account. Those holding more than one account of the same type can be issued a separate card for the ad-

Gudinas Named FCS Chairman

Six bankers have been named to the board of Financial Communication Services Corp. (FCS), St. Louis-based not-for-profit corporation created to develop and operate an electronic consumer banking communications system for banks in Missouri, Kansas, Iowa, Illinois and western Kentucky. All of the bankers represent banks active in the initial funding of FCS.

They are Richard J. Gudinas, senior vice president, Boatmen's National, St. Louis, who has been named chairman; Charles A. Elfrank, senior vice president, Mercantile Trust, St. Louis; Robert S. Schmidt Jr., vice president, First National, St. Louis; Dan S. Spencer Jr., executive vice president, United Missouri Bank, Kansas City; James K. Figge, vice president, Davenport (Ia.) Bank; and William S. Badgley, president, First National, Belleville, Ill.



GUDINAS

ditional account. Those holding accounts in more than one bank will receive cards from each bank.

Participating banks may elect to charge their customers for cards, perhaps on a yearly basis. In addition, a charge for certain types of transactions is also a possibility. According to FCS, studies indicate that bank customers would be willing to pay for such a service.

FCS authorized a market study to anticipate network use, conducted by Booz, Allen & Hamilton. A total of between 600 and 700 interviews were conducted with people who maintained accounts with commercial banks, most having free checking available. About 50% of the interviewees were willing to pay for FCS's services.

In the larger urban areas, the survey revealed that 60% would pay a monthly fee for the service and 54% would be willing to pay a fee for each transaction. In other urban markets, the figures were 72% and 50%, respectively.

Of those willing to pay a fee, 72% said they would pay a \$2.50 monthly fee for the use of the network, while 81% said they would pay a \$5 annual card fee; and 32% said they would pay a \$5 annual card fee plus 20¢ per transaction.

The public does not seem to be concerned about possible errors, security problems or losing float with the network. Some 40% said they preferred the FCS system over the charge card system.

In the area of verifying account balances, many of those interviewed said they would prefer to get this information from an automatic teller unit than from a live teller.

About 75% said they would use the check guarantee feature while few were interested in transferring funds from one account to another. Seventy-three percent said they would use the POS system, and 75% said they would use the cash withdrawal option.

Of the merchants surveyed, 28% said they would pay for POS terminal and transaction fees; 28% said they would accept rental charges and consider transaction fees; 15% said they would accept only the rental fee and another 15% said they would accept only the transaction fee.

The vast majority of the banks surveyed by Booz, Allen & Hamilton indicated they were positive about the system and were willing to make financial commitments as soon as permitted.

Mr. Regan thinks it is unlikely that the FCS system would evolve into a nationwide EFT system. Rather, he sees a number of geographical systems similar to FCS developing. A national in-

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terchange network could then link all of the individual systems.

Banks on the fringes of a system might find it necessary to participate in an adjoining system in order to receive maximum results from participation; however, few banks in the center of a system such as FCS would find it profitable to participate in an adjoining system.

FCS will determine the location of all its units, although participating banks can sign up merchants for POS terminals on a competitive basis.

A unique feature of the FCS network is that all participating banks will share in the terminals. This means that if a bank has an existing automated teller in its lobby, every other participating bank would be accessible to its customers on that terminal. It is expected that the majority of FCCs will not be in bank lobbies; rather, they will be in shopping centers or other areas of high traffic, such as airports, hospitals, etc. All units will be identified with FCS logos.

Any bank with an existing automatic teller system, wishing to include that system in FCS, will have to make the hardware conform to FCS's standards. Existing automatic teller equipment that a bank wishes to retain on an exclusive basis cannot be incorporated into the FCS network.

FCS officials expect that the majority of banks in the five-state area will want to join the network quickly. In addition to the benefits of the system, another incentive to joining as soon as possible is the expectation that higher entrance fees may be established as the network becomes more complete.

FCS could be termed a bold experiment. Time and possible developments in the EFT sector will determine whether this project which seems so radical today will develop into a network that will some day be considered commonplace. • •

Money Order-by-Phone Program Extended by Western Union

MAHWAH, N. J.—Western Union has extended its money order-by-phone service to all 48 contiguous states. The service—introduced last October 1 in Missouri on an experimental basis—eliminates the requirement of depositing cash in person at a Western Union office or agency for regular money order transactions.

Master Charge card holders now can transmit up to \$300 in cash by charging it to a Master Charge account on a single toll-free call. They can call a toll-free number at any hour of the day or night. Western Union checks the

individual account and advises the caller of the location and hours of the paying office nearest the designated recipient. The sender then can provide the information to the recipient by telegram or phone.

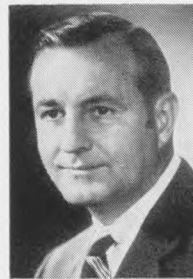
Delivery to one of more than 5,000 Western Union offices or agencies is guaranteed within two hours during hours when the office or agency is open. According to Western Union, so far most of the delivery transmissions can be made within 30 minutes.

Fees for the service vary and are, of course, in addition to the cash amount requested.

EFTS to Be Spotlighted At BAI's Convention Oct. 26-29 in Atlanta



SMITH



McGILLICUDDY

ATLANTA—Special emphasis will be placed on recent developments in electronic funds transfer systems at the Bank Administration Institute's 51st national convention October 26-29 at the Marriott Motor Hotel here. The spotlight will be turned especially on point-of-sale terminals in supermarkets, department stores and factories.

Comptroller of the Currency James E. Smith and John F. McGillicuddy, president, Manufacturers Hanover Trust, New York City, will head the list of more than 50 speakers.

The program also will provide an extensive review of the audit function, with speakers sharing their views on such subjects as long-range audit planning, developing audit personnel for the coming banking environment and an evaluation of continuous auditing and review auditing.

The control segment of the program will focus on costing customer services and determining the profitability of bank services. A session on loan-loss accounting will examine reserve-balance adequacy, accounting problems concerning book and tax aspects, inter-period tax allocation, financial-statement presentation and the method of recording and disclosing the component parts of the reserve.

In the bank-operations segment, topics will range from small bank automation to development of techniques of responsibility reporting, costing and allocation of resources necessary to recover data-processing costs. Other operations subjects include a review of a 300-bank survey relative to the Bank Protection Act.

The program also will feature discussions of employee training and development and problems arising from the new Pension Reform Act and a session designed to help bank managers adapt to the changing life styles of their employees.

The traditional "Meet the Experts" session will provide an informal forum for individuals to discuss their immediate banking problems with the BAI's technical commission members.

Beverly Sells DP Division To Chicago's First Nat'l

CHICAGO—First National has bought Beverly Bancorp's data processing division, which has been renamed First Chicago Data Corp. and continues to serve its customers as a wholly owned operating subsidiary of First of Chicago. The subsidiary retains the data processing division's management, headed by Thomas V. Markle. Mr. Markle has resigned as president of Beverly Bancorp. and Beverly Bank.

The new subsidiary will allow First of Chicago to offer expanded retail banking services to other banks, especially in the electronic funds transfer area, said President Chauncey E. Schmidt.

The former Beverly unit provides banks with an extensive package of on-line data processing services, which are interrelated by a central information file that is accessible through a variety of terminals. Services presently are provided for 25 banks in the Chicago area and 12 banks in the Minneapolis/St. Paul area through remote processing facilities.

'Tallulah' Sells Banking

A voice that sounds like the famous actress, the late Tallulah Bankhead, is heard by users of the 24-hour teller machine at the recently opened Old Farm Branch of Exchange National, Montgomery, Ala. Not only does the LeFebure Corp.'s 724 ACT machine talk, but it puts forth some unusual comments. For instance, someone using the device at 2 a.m. may be told by "Tallulah the Anytime Talking Teller" that "Dahling, you're looking simply glorious" in the throaty tones unique to Miss Bankhead, an Alabama native. In addition to "chatting" with customers, the pre-recorded messages describe bank services.



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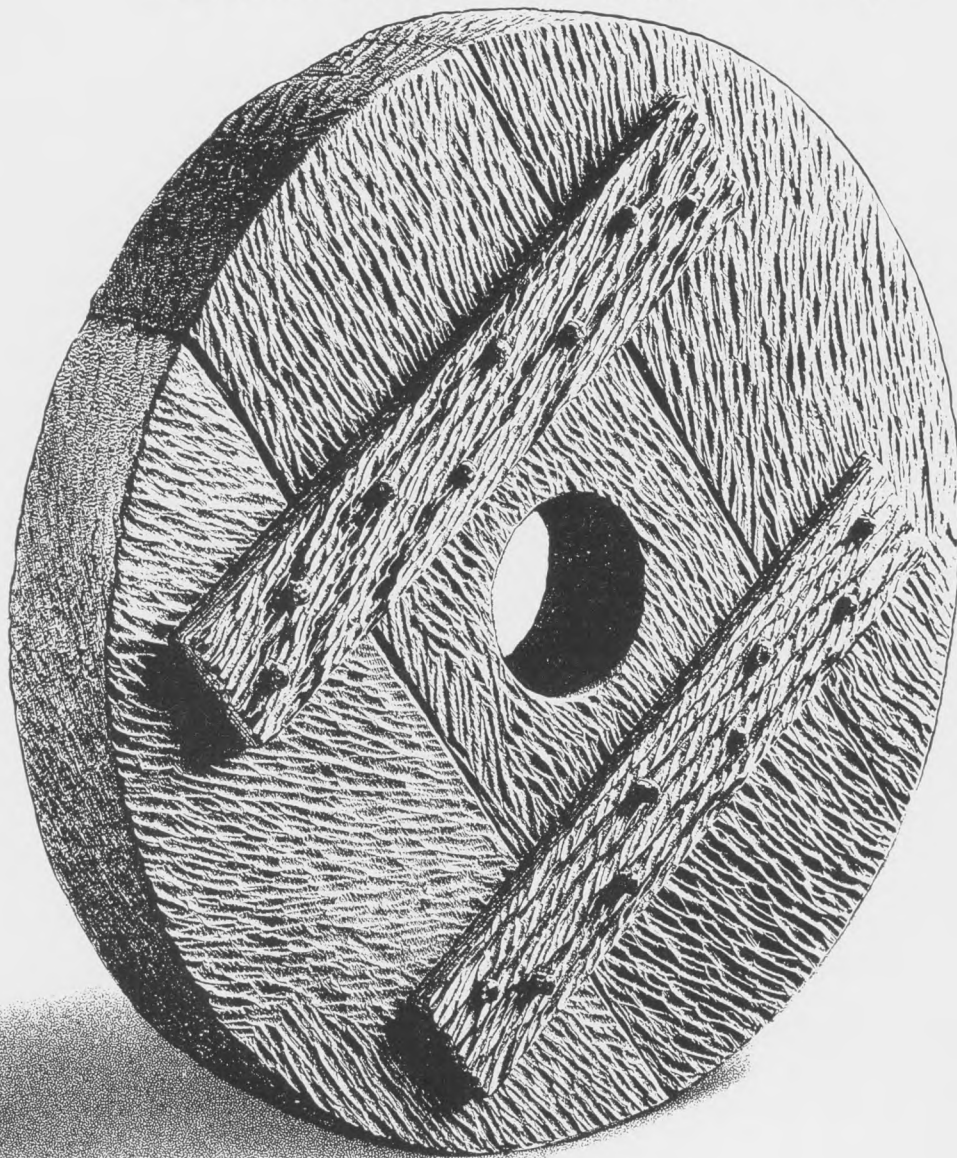
Take the idea of correspondent banking. We think it's a bigger, broader, more relevant concept today than ever before. For the same reason that breathed life into the correspondent system in the first place: to let banks extend their services without over-extending their resources.

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Comptroller Seeks Delay on Ruling Banning CBCTs

AT PRESS TIME, a new appeal for a delay in enforcing the ban on the use of customer-bank communication terminals (CBCTs) was being asked by Comptroller of the Currency James Smith.

The new plea was made to the Circuit Court of Appeals in Washington following denial of a previous request for delay, made after a district court judge ruled July 31 that national banks must cease operating CBCTs in states with restrictive branching laws. The judge ruled that CBCTs are branches as the term was construed by Congress when it passed the McFadden Act 48 years ago. The act stipulates that national banks must conform to state law in regard to branching activities.

While the Comptroller's appeals are awaiting rulings, he has authorized national banks to set their own courses on whether to obey the district court ruling. Some 26 national banks have installed more than 70 CBCTs in various parts of the nation under an interpretive ruling by the Comptroller first issued last December. Not all the CBCTs are located in states with restrictive branching statutes.

Although decisions on the Comptroller's appeals have been made rather swiftly, the appeal process could be lengthy, especially if it goes to the Supreme Court.

The Comptroller's attorneys state the original ban ruling should be overturned because the plaintiffs in the suit did not show irreparable injury arising from the Comptroller's ruling. The plaintiffs are the Independent Bankers Association of America, nine state banks, one individual and the banking commissioner of Minnesota. The Comptroller's lawyers also stated in their appeal that shutting down the existing CBCTs affected by the district court ruling would cause "severe injury to the banking industry's competitive position vis-a-vis nonbanks and S&Ls in the developing and growing field of EFTS designed to permit rapid and reliable transfer of funds by bank customers."

A spokesman for the Comptroller has said that no formal declarations on CBCTs will be made by the Comptroller until the appeals process is completed.

Eighteen states have enacted specific

EFTS legislation, generally permitting state banks to establish CBCTs on a par with the Comptroller's ruling for national banks. Some states require that terminals be shared.

Kentucky's Governor Julian Carroll issued an executive order last month allowing state-chartered banks to install remote terminals. The order was issued at the request of the state commissioner of banking and securities, John L. Williams Jr., who said he was acting in the interest of preserving competitive equality between state-chartered and federally chartered financial institutions.

The order provides that state banks can install CBCTs without going through traditional application procedures for branches. The machines must be located within county lines, in accordance with Kentucky's county-wide branching law. Only POS terminals must be shared.

The Kentucky legislature is not expected to write an EFT law of its own when it convenes next year, although such a possibility exists. Legislative action would overrule the governor's executive order. • •

CBCTs Run Into Flak in Illinois, But Operate Smoothly in Branching States

CONTINENTAL ILLINOIS NATIONAL, Chicago, is continuing to operate two remote electronic terminals following a federal district judge's refusal to issue a temporary injunction to halt the operation. Judge Hubert L. Will acted on a suit brought by the Illinois attorney general's office on behalf of the Illinois commissioner of banks and trust companies. The latter maintains these terminals violate the state's branching prohibition. Judge Will is expected to issue an opinion October 20 on the terminals, which are located in the Illinois Center Concourse and in the Chicago & North Western Railroad terminal.

However, in an agreement between Continental Bank and the state attorney general's office, the bank has cut off expansion of its terminals in Dominick's Finer Foods stores while litigation over the other electronic terminals is in progress.

Last June, before litigation began,

Continental Bank announced plans to establish 63 customer-bank communication terminals (CBCTs) in the Chicago area on or around July 1. Sixty-two of these facilities were to be for the Dominick's chain, with 60 of them an expansion of customer services already provided in the stores. The other two units were planned for Dominick's stores under construction.

The bank began its EFT relationship with Dominick's late last year, when it installed automatic terminals enabling the chain's customers to pay for groceries with their Master Charge cards. Under plans now set aside pending Judge Will's decision, Continental Bank customers would have been able to use their Continental banking cards to deposit money into their savings and checking accounts via the existing terminals in the Dominick stores. They also would have been able to cash checks with their banking cards. Dominick's personnel were to operate these

CBCTs.

Although Continental Bank has run into trouble with its CBCTs, plans for such terminals by banks in branching states are proceeding smoothly.

Central Trust, Cincinnati, opened its second mini-bank inside a Kroger supermarket July 18. The mini-bank, called the Central Trust Day and Night Bank and in reality a CBCT, features Mosler Tellermatic equipment. It offers complete teller service to Central Trust customers during store hours. For a time after the facility was opened, bank personnel were on hand to instruct customers in using the automatic teller.

Services provided by the mini-bank include checking-savings deposits and withdrawals, transfer of funds between accounts and utility-bill and loan payments.

During the two-day grand opening of this latest of 16 mini-banks, Central Trust gave 100 Top Value stamps to

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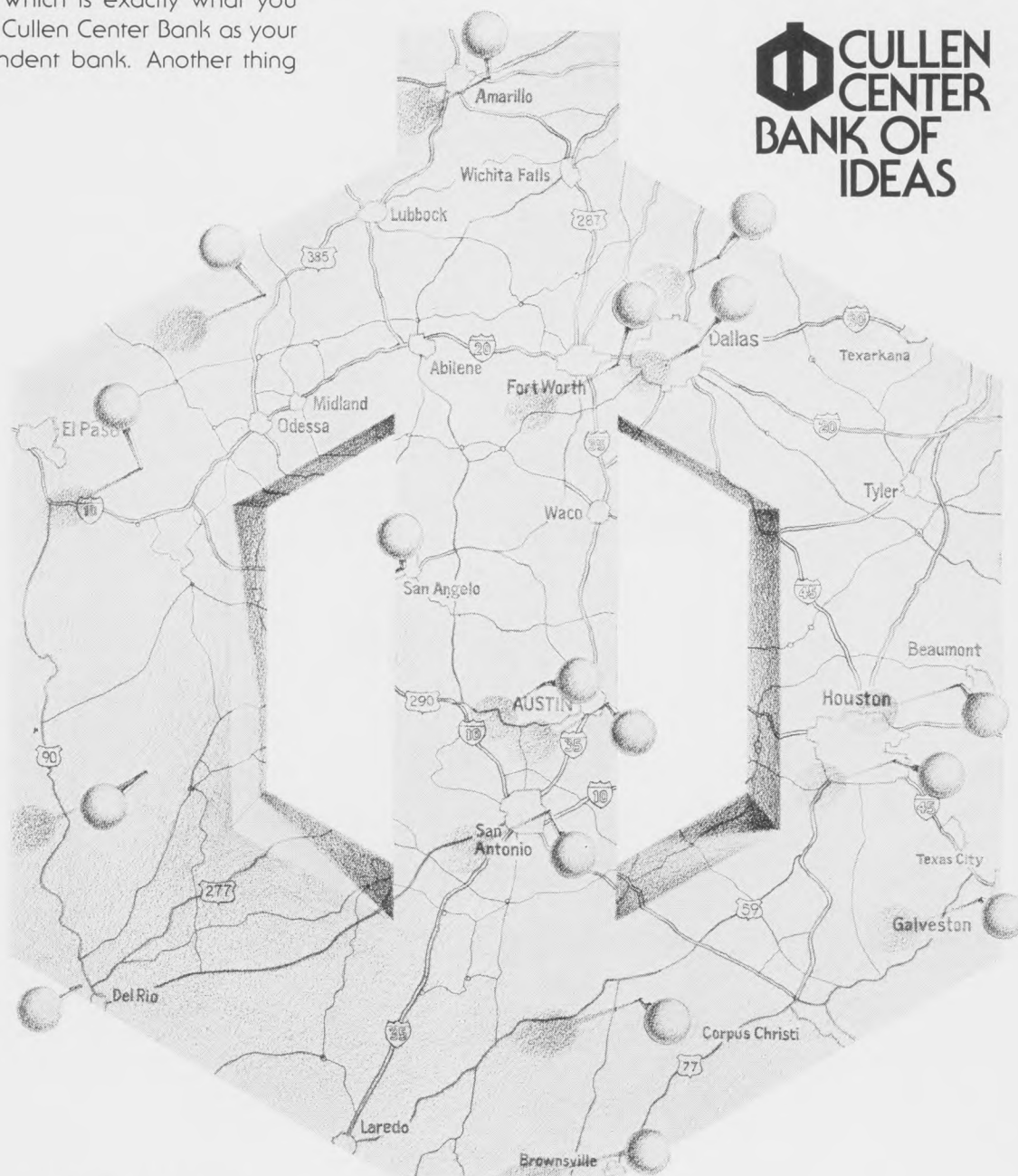
Correspondent banking is too important to handle with a letter here, a phone call there. And nobody knows that better than Cullen Center Bank & Trust. That's why our correspondent bankers spend most of their time on the road, taking our correspondent services to banks near and far.

After all, when you're talking about important business like loan participation, help with bonds, cash management and investment advisory services, you need to discuss the transaction face to face, banker to banker. Which is exactly what you get with Cullen Center Bank as your correspondent bank. Another thing

you get is the expertise of one of the fastest growing banks in the country. A bank that's reached \$200 million in deposits in a little over five years. A bank with the financial muscle to help out with the big problems.

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each of the first 2,300 persons requesting demonstrations of the automated teller. Top Value stamps are trading stamps given with Kroger purchases.

According to Robert M. Klingler, vice president and head of Central Trust's electronic banking division, withdrawals from checking accounts make up a majority of the transactions on these mini-bank tellers, followed by Master Charge cash advances, then checking-account deposits, which—in frequency and in dollar amounts—surpass checking-account withdrawals. In other words, said Mr. Klingler, the bank's customers are using the Teller-matic as a bank rather than just a cash machine.

In other action, Central Trust installed what it terms is the first automated teller inside an industrial firm in the city. This Mosler Tellermatic CBCT went into operation July 1 at Cincinnati Milacron, Inc., on an experimental basis. The bank hopes to expand the industrial banking concept because several other firms have expressed interest in a Day and Night Bank on their sites.

Citizens Fidelity, Louisville, has arranged with several local retailers—including Convenient Food marts and Winn-Dixie—to provide CBCTs in 20 off-bank-premises locations. At these stores, Citizens Fidelity customers will be able to use special plastic cards, along with their personal security numbers, to deposit to or withdraw from their checking or savings accounts, transfer funds from one account to another and cash personal checks. The program utilizes a special transaction telephone recently produced by AT&T.

Called Service Tree Service, this is the first phase of a broad, long-range program at Citizens Fidelity for increasing personal banking convenience.

First National, Memphis, has announced installation in supermarkets of three automated teller machines, which are on line to the bank's computers. The latter can verify immediately that a person has an account at First National and tell how much is in that account. These "First Banking" "tellers" allow bank customers to make withdrawals from their checking and savings accounts, to obtain cash advances from their checking or savings accounts and to obtain cash advances from their BankAmericard accounts. Customers may withdraw up to \$200 a day from each account.

These new installations are in addition to the First Banking tellers that are located at six 24-hour-a-day First Place facilities in Memphis. • •

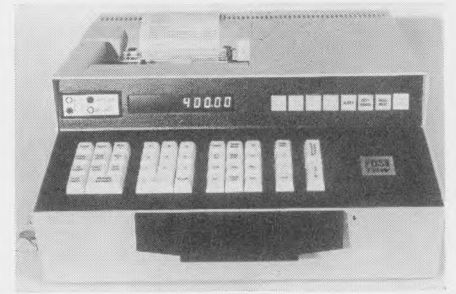
Deposits, Withdrawals, Check Cashing Offered by S&L in Kansas Stores

COMPETITION from S&Ls became greater for Kansas banks July 1, when Capitol Federal S&L of Topeka became the first financial institution in the state to offer deposit, withdrawal and check-cashing services from supermarkets through an electronic funds transfer system. Remote-teller service units have been installed at stores in three cities—Topeka, Overland Park and Lawrence. Money-Matic is the name chosen by the S&L for its new system. The trademark on the system is pending.

The terminals—manufactured by FDS/i, Orlando, Fla.—are connected with Capitol Federal's on-line computer-accounting system in its home office by data phone lines.

A transaction on Money-Matic takes only 10-15 seconds, said John C. Dicus, president of Capitol Federal. The terminals offer savings-account deposit and withdrawal services and special check-cashing facilities. They are located in the supermarkets' courtesy booths.

Key to the system is a customer's Passcard, a wallet-sized plastic card for which the customer chooses his own personal passcode—the name of a



This is type of computer terminal being used by Capitol Federal S&L, Topeka, in its new Money-Matic service. Under this program, S&L's passcard savers can go to certain supermarkets in Topeka, Overland Park and Lawrence and make deposits to or withdrawals from their Capitol Federal accounts or cash checks. These computer terminals—FDS/i Teller Terminal 151—have ABA/Track 2 magnetic card reader as integral part. They are installed in participating supermarkets and are connected by data phone lines with Capitol Federal's on-line computer-accounting system in its home office. Terminals are manufactured by FDS/i, Orlando, Fla.

pet, a child, a grandchild, a series of easily remembered numbers, anything as long as it contains four to nine characters and doesn't start with zero or contain Qs or Zs.

If a customer wants to make a deposit to his account or a withdrawal from it or cash a check, he walks up to the service booth and locates the security pad, a small punch machine similar to a touch-tone telephone, located on a shelf just outside the courtesy booth. To begin the transaction, he punches his personal passcode into the security pad, hands the attendant his Passcard and tells him what kind of transaction he wants to make. The courtesy booth attendant passes the Passcard through a magnetic tape reader on the terminal inside the booth. The terminal reader records the information encoded on a magnetic stripe on the back of the card. The attendant then enters the type of transaction and amount on the terminal. That information is transmitted to the home office computer, which processes the transaction, updates the files on the account and sends a response to the terminal that enables it to print a complete receipt. However, the customer's account remains confidential as the attendant does not have access to the balance or account history.

Deposits may be made by cash or check, but withdrawals are made exclusively by cash. Also, anyone wanting

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This newspaper ad announced Money-Matic service of Capitol Federal S&L, Topeka. S&L says it is first financial institution in Kansas to offer deposit, withdrawal and check-cashing services from supermarkets through EFT system.

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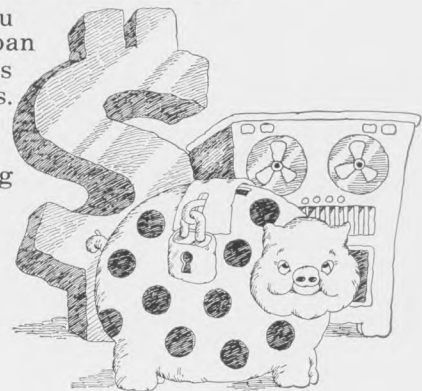


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to open a new account or transfer money from a passbook to a CD must go to a full-service office of the S&L.

Mr. Dicus said that at the end of the first 30 days of Money-Matic's operation, 825 different accounts had used the service, making a total of 1,803 transactions—an average of 15 per store per day. However, he continued, the two Lawrence stores reported processing a total of 850 transactions, an average daily total of 28. The 825 accounts represent 4.2% of the S&L's card base.

To prepare for Money-Matic's debut, Capitol Federal conducted a training program for personnel of the supermarkets. An overall orientation program was held for management and all employees, while training on use of the terminals was given only to those persons who would be working in the courtesy booths.

Mr. Dicus said that marketing the supermarket terminals was made easier because residents in the S&L's trade area are accustomed to obtaining cash from stores. He pointed out that a U. S. Savings & Loan League survey showed that, nationally, 19% of families get cash from stores, but in Capitol Federal's area, 26% to 33% go to stores for check-cashing services.

Mr. Dicus pointed to the convenience factor of the terminals. They are available to customers any time the stores are open—8 a.m. to 10 p.m., seven days a week. The Money-Matic store locations are relatively convenient to 71.7% of the S&L's customers, he said. • •

Merchant-Verification System Set Up by Nashville Banks Designed to Cut Check Losses

NASHVILLE—Five banks in this city, which comprise the membership of the Nashville Clearing House Association, have set up a merchant-verification system. The objective is to reduce the amount of bad checks given storekeepers in the area.

The five sponsoring banks, which represent more than 98% of Davidson County's bank deposits, are: First American National, Commerce Union, Third National, Nashville Bank and Hamilton Bank.

The service is being marketed independently by the banks, and each has established its own per-check fee. The banks began selling the service June 2—after six months of planning—and, after 30 days, 76 merchants with about 100 locations in the metropolitan area had signed up.

Each participating merchant makes

arrangements with South Central Bell Telephone Co. to have a Touch-a-Matic telephone installed. This set has a memory for 31 phone numbers. Each bank provides its own direct phone line into its computer on the Touch-a-Matic Telephone so that the merchant virtually is tied directly to the city's major banks.

When the merchant uses the set, he punches one button, which connects him with the bank from which he wants verification. When he's connected with that bank's computer, he presses the same button again, and his merchant-identification number is given automatically to the computer. He then uses the touch-tone keys and enters the checking-account number and amount of the check. If the account is open, the computer indicates whether funds are available to cover the check. Checks called in are not guaranteed, but studies show the system is highly accurate, said a spokesman for the banks. The entire check-verification process takes less than 30 seconds. Merchants may use the service from 8 a.m.-10 p.m. Monday through Saturday and noon-6 p.m. Sunday.

Show Your Honest Face; Check-Cashing Privileges Are Yours in Atlanta

ATLANTA—With a new plan instituted by First National, all a shopper needs to do in a grocery store here is show his Honest Face in order to get a check cashed.

Sounds unbelievable, doesn't it? With a new piece of plastic—called the Honest Face Card—and a system of check-verification terminals, people who cash checks in grocery stores reportedly are able to do so faster and more conveniently than in the past. Nearly all A&P, Big Apple, Big Star, Colonial, Food Giant, K-Mart Foods, Kroger and Richway Foods in this area offer the service in conjunction with the bank.

Here's how Honest Face works: A cardholder inserts the card in the machine, enters his or her secret code, selects the type of transaction (personal, payroll, social security, welfare checks, etc.), inserts the check, and after it has been processed, removes the check, as well as the Honest Face card. The approval stamp thus is imprinted on the back of the check, which is accepted by the store clerk without question.

According to a First National spokesman, more checks are cashed in grocery stores here than in any other places of business, except banks, so the system was developed to help speed



This is Honest Face check-cashing terminal being offered by First National, Atlanta, for use in local food stores. Customer inserts card, punches secret code, selects type of transaction, inserts check, and machine verifies or prohibits transaction in about 30 seconds. System is offered in most major grocery chains in area, is said to lower overheads through reduction of returned checks, faster check-out lines.

up grocery lines and avoid delays for those cashing checks. The process is said to take only 30 seconds.

The terminal, bank officials state, is not a credit check, but only verifies that there are no bad checks outstanding for the customer using the device. In addition, the machines will not accept checks above amounts specified by store policy and will limit the number of checks cashed by a customer in one day.

Reportedly 1.5% of all checks cashed in this area's grocery stores are returned for insufficient funds, and since food stores operate on what is said to be one of industry's smallest profit margins, the service is expected to cut overheads.

Bank officials say First National will profit by annual charges to the grocery companies and card holders and through cost reductions brought about by Honest Face.

• Charles F. Mansfield, president, Marine Midland Bank—New York, has been named CEO, following the resignation of John S. Lawson as chairman. Mr. Lawson also resigned his positions as president and director of the bank's parent company, Marine Midland Banks, Inc. Edward W. Duffy, chairman and CEO of the HC, has been elected chairman of the bank, while Russell H. Knisel, executive vice president of the bank and HC, has been elected vice chairman of the bank, Mr. Duffy's former post.

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Missouri Begins Hearings on Pros, Cons of EFTS

By **JIM FABIAN**
Associate Editor

THE FUTURE of EFTS in Missouri is being considered by members of the House and Senate Banking committees, which began a series of hearings on the topic last month.

Purpose of the hearings is to familiarize legislators with the pros and cons of EFTS so they can determine if and how to regulate it. Presiding over the first hearing, held in Clayton, was Senator Albert M. Spradling Jr. (D.), chairman of the Senate Banking Committee and chairman, Farmers & Merchants Bank, Cape Girardeau.

The first day of the two-day hearings heard proponents of EFTS, while opponents testified the second day. Other hearings are scheduled for Cape Girardeau in mid-September and Kansas City in mid-October.

A presentation was made outlining the establishment of a five-state consumer banking system by Financial Communication Services (FCS), St. Louis, by John G. Regan, FCS executive vice president. The system, which has the support of the Missouri Bankers Association, will consist of a network of customer convenience centers including automated teller machines (ATMs) and point-of-sale (POS) terminals throughout Missouri, Kansas and parts of Iowa, Illinois and Kentucky (see article on page 120).

Mr. Regan said supporters of FCS believe consumers will benefit from the service because they can have immediate round-the-clock access to their accounts through the numerous units FCS will install. He also said that the chance for loss or fraud will be minimized with FCS.

Since POS terminals and ATMs would be installed at locations where consumers conduct their everyday business, Mr. Regan said, bankers believe consumers will benefit from EFTS' convenience.

Bruce E. Woodruff, an attorney for FCS, said he felt no violation of Missouri's branch banking laws was involved with FCS since the actual transaction of the business would take place at the bank. The communication of that transaction, he reasoned, was little different from a customer using a mailbox to make a deposit or his telephone to order stocks or bonds.

He said that only one state, Utah, has legislated a moratorium on EFTS, while 32 states have authorized some form of remote banking. He added that all fed-

erally chartered S&Ls are permitted to participate in EFTS in some form. He said that it was important that Missouri banks not be hindered by restrictive EFTS legislation which would enable S&Ls to gain a competitive edge.

Horace Dunagan, president, First State, Caruthersville, testified that he wants his customers to be able to use debit and credit cards anywhere in the nation and participation in FCS is one step in implementing such a service. He added that he is not concerned about small banks being overrun by large banks in the EFT area, partly because all participating banks in FCS and other cooperative ventures can maintain their identities by having their names imprinted on the plastic access cards.

Another small bank president, Jim F. Hudson, South County Bank, Ashland, said he wants his bank to be a part of FCS so it can compete with the two S&Ls that have opened branches in Ashland. He said he expects public acceptance of the service to be slow in developing but that it will grow as the network becomes established. He also said that the cost of joining FCS would be less than building a new facility.

Regarding the cost of joining FCS, James E. Brown, senior vice president, Mercantile Trust, and president, Mercantile Bancorp., stated that tentative cost figures for a bank joining FCS would be \$800 per \$1 million of personal deposits and \$5 per account placed on the system. He said that not every customer of a participating bank would desire to make use of FCS, therefore no charge would be made for non-participants. He added that the initial fee would be a one-time charge.

He also said that it is expected that FCS would charge participating banks 25¢ per transaction and that the banks would have the option of assuming this cost or passing it on to their customers, either as a transaction fee or under a yearly card fee—or both.

Mr. Brown said that small bank survival depends on the capability to compete with S&Ls through an EFT network such as FCS.

Missouri State Finance Commissioner William R. Kostman said he favors a go-slow approach to the introduction of the new ATM and POS equipment be-

cause of the "possibility of concentration of economic power that could result from full use" of them.

He told the hearing there is no doubt the new technology will offer more convenience for bank customers and a way for banks to reduce the heavy costs of check handling.

He said the new systems undoubtedly will be developed nationwide and the people of Missouri have a right to share in their benefits.

He proposed that use of the terminals be restricted to existing customers of participating banks rather than be used as market extension devices or as a means to gain new customers. He said this "half a loaf" concept would protect the small banks while enabling large banks to reach customers in a larger area.

This testimony flew in the face of a comment made by Senator Richard M. Webster (R.) of Carthage, who said, "Every banker I talk to says they don't want to go into this area." He said bankers in his area were afraid the big banks would use the machines for branching and had asked him to "do what you can to keep us out of this mess."

Also testifying in favor of EFT was Lawrence R. Chapman, vice president, operations, First National, St. Louis. He outlined reasons why all banks should be allowed the use of POS terminals and ATMs.

- Convenience is a must for banks to keep their customers. If it isn't offered, customers will go to other businesses to find the service they want.

- Lower costs will occur in the long term through the elimination of check handling.

He cited the fact that more people are doing their banking after working hours and they want access to their bank accounts at any hour of the day. He also stated that sharing of EFT devices is economical and should be encouraged, but not mandated, so that the potential of EFT services is not restricted by legislation that might become outdated as EFT is refined.

Testifying against EFT were representatives from the Missouri Independent Bankers Association, including Donald E. Thompson, executive vice president, Peoples Bank, Hawk Point—MIBA president—and John C. Harris, president, Callaway Bank, Fulton.

Mr. Thompson raised the question of



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MID-CONTINENT BANKER for September, 1975

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how the small-town merchant could compete effectively in a network such as FCS, since the small merchant would probably not qualify for a POS terminal and thus his customers might be induced to travel to a larger community that had such terminals. Mr. Harris expressed concern about an unregulated EFT system. He wanted to know how such a system would be regulated and what new regulation techniques would be required.

The general opinion of the independents was that they are not against EFT, yet they want all doubts to be dispelled before going ahead.

A similar reaction came from repre-

sentatives of J. C. Penney and Sears stores, who expressed fears that EFTS could lead to a "one credit card economy," one that would effectively block retailers from offering their own card plans. They emphasized that retailers are not against EFTS, but that a system should not be set up hastily and without thought.

Although the proposed FCS system does not provide for credit services, participating banks probably will have the option of offering overdrafts to selected customers. Retailers with sophisticated electronic systems already in operation express concern about having to install an additional system at their checkout counters to handle services such as FCS, which, if overdrafts were offered, could erode their profitable credit services.

Senator Spradling announced that an EFTS survey will be sent to all banks and S&Ls in Missouri shortly and that he hopes responses will be received and tabulated prior to the mid-October hearing in Kansas City. • •

St. Louis S&Ls to Install POS Terminals in Markets

The establishment of an experimental EFT system linking 11 St. Louis-area S&Ls with stores of the Schnuck's supermarket chain was revealed last month by the Greater St. Louis Savings & Loan League at the Missouri EFTS hearings (see page 132).

The service, which tentatively is set to begin operation in early 1976, will have the characteristics of a Hinky-Dinky-type operation, in that customers of the participating S&Ls will be able to make deposits and withdrawals to their savings accounts at the supermarkets. It differs from Hinky-Dinky in that it is a shared service, with customers of all participating S&Ls able to tap their accounts through one POS terminal in each store, located at courtesy counters.

According to Robert Drohlich, executive secretary of the Greater St. Louis S&L League, the service will consist of a switching device that permits all participating S&Ls to share the system. The device, which will be one-of-a-kind, has not yet been designed. It will interface with IBM, NCR and Burroughs equipment in use at the participating S&Ls. Estimated cost of the switching device is \$350,000.

Each store will be equipped with a POS terminal, costing about \$1,400.

The service, which has been authorized by the Federal Home Loan Bank Board (FHLBB), is limited to St. Louis city and county. Any expansion of the

system would require FHLBB approval.

Mr. Drohlich said that up to 27 S&Ls in the St. Louis area could eventually participate. He also said that commercial banks would be welcome as participants, providing banking regulations permitted such participation.

Initially, the system will not offer granting of credit or bill-paying services.

Senior Bank Officers Workshop Planned Sept. 21-23 by ABA

DENVER—An ABA workshop for senior bank officers September 21-23 is designed to help them prepare for the immediate and long-range future. It will be held at Stouffer's Denver Inn.

In the keynote address, Robert K. Wilmouth will review the major issues banks must plan for in the current environment. He is president, Crocker National, San Francisco. The program also will offer an environmental appraisal in which economic, social and political issues will be analyzed, with consideration given to sources of information, how information is used for analysis, how analysis results affect establishment of corporate objectives and are transferred into goals, who is involved in the process and timing of the process.

There will be two concurrent sessions on "Evaluation of Internal Strengths and Weaknesses." One session will take the large bank/holding company approach; the other, the medium-sized bank approach.

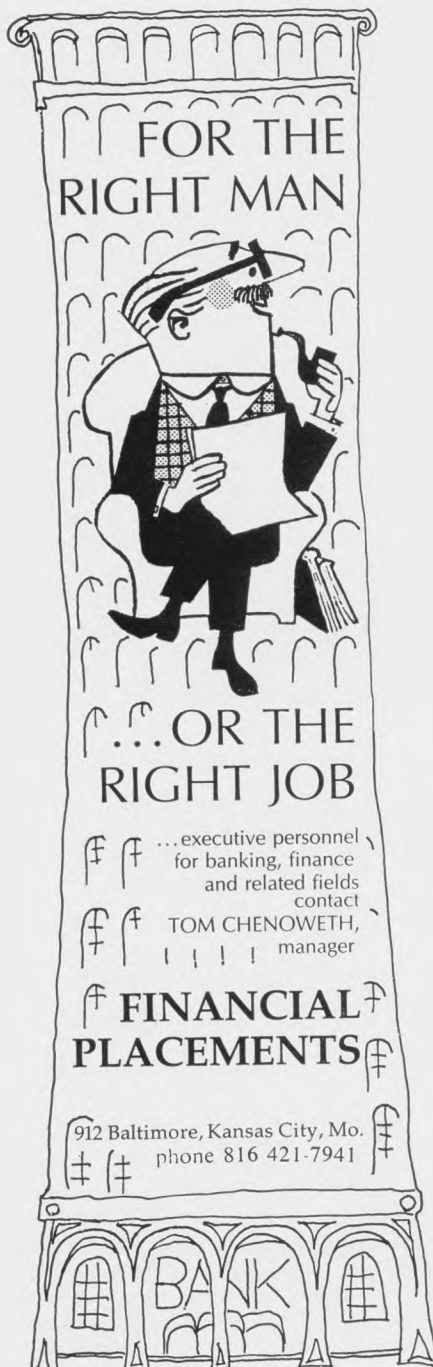
Other topics will include "Planning for EFTS," "Bank Planning Process" and "Interrelationship Between Planning and General Management." The workshop will close with a talk by George W. Mitchell on "Legislative and Regulatory Considerations in Planning." Mr. Mitchell is vice chairman, Board of Governors, Federal Reserve System.

Continental Bank, Chicago, Restructures Comm'l Div.

Continental Bank, Chicago, has restructured its national commercial banking divisions. The bank's western division has been separated into what now will be called the central and western divisions.

The central division will work with correspondent and commercial customers in an area including Arkansas, Kansas, Louisiana and Missouri. It will be headed by Hollis W. Rademacher, vice president.

Garry J. Scheuring, vice president, has been named to head the western division, which includes New Mexico, Oklahoma, Texas and the Houston representative office.



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Missouri Banks Will Be Affected By New Credit Life Regulations

REGULATIONS affecting the sale of credit life insurance in the state of Missouri are scheduled to go into effect September 15, 1975, unless Missouri's insurance commissioner, H. E. Edmiston, should announce a last-minute delay. Such a delay is not expected, however, despite objections voiced by insurance industry representatives at a special hearing in Jefferson City on August 26.

Those affected by the new regulations are banks, finance companies, credit unions, savings and loan associations, auto dealers—in fact, any lender presently offering credit life in conjunction with consumer-type loans. Although the regulations contain many technical details that will affect primarily the company underwriting the insurance, the regulations do have two major concerns for banks and other lenders:

1. Charges for credit life insurance will be limited to 75 cents for each \$100 of outstanding debt.

2. Commissions paid to originators of credit life will be limited to 40% of the charge, which, based on the foregoing paragraph, will amount to 30 cents maximum for each \$100 of debt.

The regulations, which apparently were developed by Missouri's Divisions of Insurance and Finance, brought heated protests from insurance representatives. While conceding that regulation of industry practices was needed in the state, those testifying at the August 26 hearing expressed doubt that the insurance commissioner had the *statutory authority* to "issue regulations." Without exception, those testifying urged the commissioner to delay his regulations so that the legislature would have an opportunity to act on an industry-sponsored bill.

It was pointed out during the hearings that early in 1975 the industry had agreed on the *need* for regulation and also had agreed on the *major provisions* of the insurance commissioner's new regulations, including a 75-cent maximum rate. Accordingly, a bill was introduced in the legislature on February 15, which passed Senate committee hearings but was not acted on in the General As-

sembly because of its late introduction.

Representatives argued that they "agreed to legislation," but not to "regulation." In fact, industry representatives hinted they would possibly seek an injunction, until it could be established that the commissioner did have the authority to "regulate" by executive order.

Undaunted, Commissioner Edmiston claimed that his office does have this power and indicated, during the hearings, that the regulations would go into effect September 15, 1975. He stated that his office and that of Finance Director William R. Kostman had uncovered numerous abuses that convinced him that regulations should go into effect immediately rather than wait for legislative action.

Commissioner Edmiston did leave the door open, however, for support of an industry-backed bill that could be introduced in the next session of Missouri's legislature. The commissioner met with a "study group" of insurance company representatives following the hearing and later issued a memorandum indicating his department would support an "appropriate" bill to be introduced in the 1976 legislature. During the interim period, he stated, his regulations would take effect.

While the commissioner did not cite his "authority" for the issuance of regulations, industry representatives "speculated" that it was under a section governing "unfair discrimination" in the sale of insurance. In his regulation, the commissioner also pointed to "unfair discrimination" in stating the "purpose" of the regulation:

"This regulation (13.0) is designed to prevent unfair discrimination against those persons purchasing insurance in connection with a credit transaction. While the cost of insurance in Missouri is generally regulated by competition in the marketplace, the sale of insurance in connection with the lending of money or granting of credit stifles that competition. As a result," the commissioner stated in his regulation 13.0, "insureds purchasing coverage through a creditor often find their

premium dollars buying less insurance than those dollars would purchase in the open market."

The commissioner indicated during the hearings that his department found that many borrowers were being coerced into buying insurance through the lender, and many borrowers, he stated, believed that it was a *requirement* that they carry credit life on their indebtedness.

Accordingly, the regulations contain a provision that requires the lender to inform the debtor that he has the right to provide "alternate coverage" through any insurance firm licensed to do business in Missouri.

In addition to establishing a 75-cent maximum rate on decreasing term life, the regulations establish a maximum rate of \$1.15 for "monthly premium per \$1,000 of outstanding balance."

For single-premium level term life insurance, a premium of \$1.38 per \$100 of insurance for a period of coverage equal to 12 months has been established. Also, level-term credit life may be written *only* when the insurance does not *at any time* exceed the indebtedness.

Regulations also establish maximum rates for credit health and accident and procedures for handling refunds of premiums on prepaid loans.

The regulations, in establishing maximum commissions (40%) to be paid to lenders and others, also prohibit other types of payments to agents in lieu of commissions, such as *bank deposits*, merchandise, rewards, bonuses, trading stamps, script, convention trips, vacations or "other rewards of any kind given, paid or allowed to the creditor as an inducement or payment for sales made or volume obtained."

The regulations do permit an insurance company to invest in bank CDs *if* the interest paid on these CDs is at least equal to that being paid by the bank (or S&L) on other CDs. Premiums received by a creditor, however, actually must be remitted to the insurance company *within 45 days after the sale of the insurance!*

Bankers in Missouri can learn the complete details of the new regulations through their insurance agents. • •

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Railroad equipment like this is representative of freight cars and locomotives that will form large market for equipment trust financing in future.

Railroad Equipment Trust Certificates Are High Yielding and Well Secured

THE RAILROAD INDUSTRY, vital to the American economy, basically strong and with renewed potential for growth, is enjoying increasing popularity in the financial community. Banks, pension fund managers and other professional investors are taking a fresh look at high yielding and well-secured railroad equipment trust certificates.

More than \$15 billion worth of railroad equipment trust certificates have been issued by rail carriers since 1870, with an infinitesimal number of defaults—none in this century. Standard & Poor's says: "Considering the remarkable record of railway equipment trust certificates over the years, this type of

By THOMAS H. O'LEARY
Vice President-Finance
Missouri Pacific System
St. Louis

security stands preeminent among railway and other corporate debt obligations."

Railroads have an essential role in the economic development of the United States. The railroad share of the transportation market increased in 1973 and again in 1974, reversing a trend that began after World War II. Rail freight service is the dominant form of transportation for moving most of the raw materials and agricultural products essential to the nation's economy. For example, railroads handle over 70% of the inter-city transportation of coal and 60% of grain. They also haul between 60% and 80% of automobiles and parts, pulp and paper products, chemicals and allied products, food and primary metals.

Expanded future demand for rail freight service is virtually assured. Even assuming no improvement in market share, by 1990 traffic is expected to double and annual ton-miles of

freight service increase to 1.7 trillion. In 1974 the figure was 860 billion ton-miles. Many contemporary forecasts, moreover, project a larger market share in future years, based on the railroads' recent progress and national concerns with fuel conservation and the environment.

In both areas, railroads have clear advantages. They use fuel more efficiently than do other freight modes—about four times more efficiently than trucks, about 60 times more than airplanes. Railroads also have less adverse impact on the environment.

The technology needed to meet expanded future traffic demand, while providing improved service, is largely available today. Increases in railroad research activities by the industry, its suppliers and the Federal Railroad Administration point to continued improvement in railroad technologies.

The national freight car and locomotive fleets increased last year for the first time since 1966, and significant improvement was realized in utilization of the freight car fleet for the third straight year. At the same time, America's strong railroads continued extensive maintenance-of-way programs, replacing crossties and laying new rail.

Railroads have learned to compete. Faced with losses of traffic to trucking, they regained freight business with piggyback service and the multi-level auto-carrying car. They continue to find new ways to price transportation services through volume and incentive rates, unit trains and specialized cars.

In the last 10 years, major railroads



TOP: Several kinds of railroad freight carriers are shown here lined up in freight yard. Article by Mr. O'Leary tells why banks, pension fund managers and other professional investors are taking fresh look at high-yielding and well-secured railroad equipment trust certificates.



BOTTOM: This long line of Missouri Pacific engines symbolizes prediction by Mr. O'Leary that, by 1990, rail traffic is expected to double and annual ton-miles of freight service to increase to 1.7 trillion.

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have maintained capital spending at record levels, mostly for new freight cars and locomotives. An estimate by the Association of American Railroads has placed the amount of money railroads need to spend on capital improvements over the coming decade at \$38 billion, more than twice what they spent in the previous decade. Of that total, about \$24 billion would go for new cars and locomotives, a large share of which could be financed by equipment trust certificates.

All equipment trusts are structured under an arrangement known as the "Philadelphia Plan." The carrier acquires the use of freight cars and locomotives exactly as it would under a conditional sale, but with a down payment of 20%. Title does not pass to the carrier until the final payment has been made. In most cases today, the principal is repaid in annual or semi-annual installments over a period of 15 years. Interest is paid semiannually. This makes possible the purchase of certificates with a schedule of principal maturities and interest payments to coincide with needs of a pension fund or other portfolio.

A major difference between the Philadelphia Plan and a conditional sale is the marketability of the obligation. Equipment trust certificates are offered in amounts as small as \$1,000 while conditional sale obligations normally are placed privately with institutional investors in large blocks. In addition, equipment trust certificates are securities, and thus an issue requires the approval of the Interstate Commerce Commission.

Philadelphia Plan obligations offer yields consistently higher than almost all government securities. As the table on this page shows, 10-year double-A-rated equipment trust certificates provide significant advantages over U. S. Government and Agency issues of comparable maturity.

Last year, 12 of the nation's major railroads, including such familiar names as the Union Pacific, Southern Pacific, Norfolk & Western, Burlington Northern and Missouri Pacific, issued some \$360 million worth of equipment trust certificates. This was up from \$295 million sold in 1973, but well below the average of \$705 million issued annually during the 10-year period 1964-73.

The amount of Philadelphia Plan obligations probably will increase in 1975. Certificates are offered frequently to investment banking firms participating in the two syndicates that currently are handling all the industry's equipment trusts. The certificates then are re-offered to the investing public by the winning syndicate.

Yields and Yield Spreads 10-Year Aa Equipment Trust Certificates*

Year	Yields			Yield Spreads (in basis points)	
	Aa 10-Yr. Equip. Tr. Certif.	10 Yr. U.S. Agency Issues	10 Yr. Govt's	10 Years: Aa Equip. vs.	
	New Issue	(Seasoned)		Agencies	Govt's
1970	8.73%	7.91%	7.21%	+82	+152
1971	7.46	6.91	6.11	+55	+135
1972	7.06	6.76	6.23	+55	+135
1973	7.54	7.18	6.73	+36	+81
1974	8.83	8.16	7.31	+42	+152

*Source: Salomon Brothers

One syndicate, managed by Salomon Brothers, includes Blyth Eastman Dillon & Co., Inc., and Drexel Burnham & Co., Inc.

The other, jointly managed by Halsey, Stuart & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith, Inc., includes L. F. Rothschild & Co.; E. F. Hutton & Co., Inc.; Hibbard & O'Connor Securities, Inc.; McMaster, Hutchinson (division of Rodman & Renshaw, Inc.); Elkins, Morris, Stroud & Co.; Hayden Stone Inc.; and W. H. Norton & Co., Inc.

These investment bankers expect to find a ready market for equipment trust obligations this year despite the unfavorable news concerning the Rock Island and some eastern railroads. More than 80% of the mainline trackage in this country is operated by strong railroads, which, in 1974, earned \$747 million, paid \$222 million in federal income taxes and \$440 million in state and local taxes. But even in the event of bankruptcy, the right of the owner to take possession of the equipment (which is personal property) is not affected by provisions of section 77 of the Bankruptcy Act. Seven railroads have declared bankruptcy in recent years, but their equipment trust obligations have been honored by court-appointed trustees.

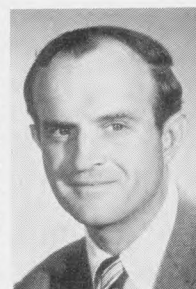
There are three basic reasons for the inherent strength of equipment trust obligations.

First, freight cars and locomotives are indispensable to a railroad's operation.

Second, freight cars and locomotives are readily interchangeable between railroads. Should a trustee ever find himself with, say, 1,000 coal cars on his hands, there are a number of railroads that would be willing to purchase them.

Third, the 20% down payment made by the railroads provides a margin of safety between the cost of pledged equipment and the amount of the original issue. In addition, as John M. Clair, senior associate at Salomon Brothers, states: "... inflation is on the side of the investor. The freight car that cost, say, \$18,000 a year or two ago now goes for more than \$20,000, so the resale value of the asset remains high." This, taken together with the 30-year useful life of most rail cars, assures that the value of pledged equipment remains well above the outstanding debt over the life of the equipment trust issue. That—plus the fact that even troubled carriers continue to meet their equipment trust payments—underscores the strength of this type of security. • •

Thomas H. O'Leary is pres., Mississippi River Corp., in addition to being v.p.-finance and chief finance officer, Missouri Pacific System. He is a former banker, having worked for four years at First National City, New York City, before joining MoPac in New York as finance committee ch. about 10 years ago. He has been MoPac's pres. since May, 1974.



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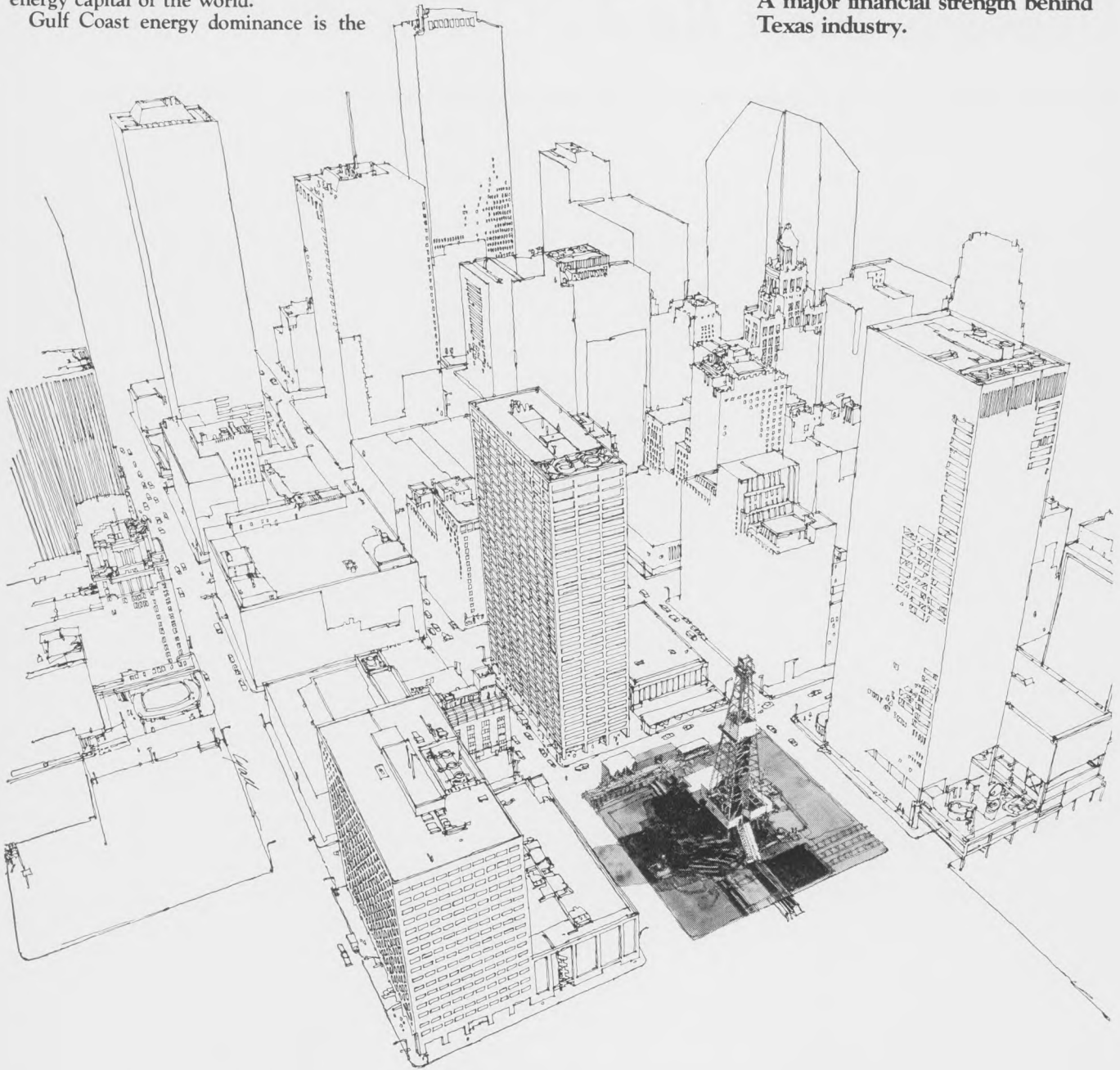
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MID-CONTINENT BANKER for September, 1975

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SALES TAXES: Deposits Most Banks Overlook

By Dr. Jerry Prock, Associate Professor of Finance, Middle Tennessee State University, Murfreesboro, Tenn.

IN THESE DAYS of tight money, what banker wouldn't like a new source of deposits—deposits that would supply funds for investments and local development? In at least one state, bankers are overlooking a ready-made source of funds that can provide deposits of 5% to 15% of area sales. Such deposits can be realized if local businesses can be induced to deposit their state sales taxes in local banks, providing statutes permit.

In February, 1974, Citizens Central, a growing new bank in Murfreesboro, Tenn., launched a sales campaign that is expected to increase monthly deposits by \$200,000 or more. As with many large deposits, a good bit of selling is necessary to develop the new business.

It started when two of Citizens Central's officers, President Don Moser and Vice President Bruce Plummer, took the local managers of a chain store to lunch. Citizens Central wanted some of the chain store's business; but because of the store's home office regulations, this was proving difficult. While talking with the manager, the bankers discovered that one group of monies the local store did have control over was the deposit of Tennessee state sales taxes. Under Tennessee law, state sales taxes can be deposited in any approved bank in the state. The state treasurer can draw on these accounts when the state wants the money.

Since Citizens Central already had eight customers who were depositing a total of about \$8,000 per month, why not expand the service offered by the bank and actively solicit the deposit of sales taxes from other firms?

Mr. Plummer had seen this done on

a limited basis at a bank in Cookeville, Tenn., while he was assistant vice-president of marketing and business development.

Mr. Plummer was put in charge of Citizens Central's sales tax program and given full responsibility for developing the promotional campaign.

The campaign quickly took shape around several features, the major one being a take off of the local merchants' frequent admonition to "buy local." Since Murfreesboro is near metropolitan Nashville, merchants actively campaign for residents to "buy local." Mr. Plummer gently turned the tables with Citizens Central's campaign to get the merchants to keep money locally by depositing sales taxes in Rutherford County. Based on the belief that any monetary growth in the county would eventually benefit Citizens Central, Mr. Plummer urged merchants to deposit locally—if not with Citizens Central, then with one of the other banks in town.

The potential for funds from sales taxes is tremendous in most areas. Although Rutherford County has a population of only 65,000, state and local sales taxes in only one month (Septem-

ber, 1974) were just under \$800,000.

Of course, Citizens Central cannot hope to get all the sales tax deposits, but only a small part of them will boost the local supply of funds. Most of these new deposits are funds that would have been deposited directly with the state treasurer.

To encourage merchants to deposit their sales tax funds locally, Citizens Central established a sales campaign that utilized newspaper ads and a flier that was sent to all area merchants.

The announcements explained how the service works. Merchants were advised that they didn't have to mail their sales tax deposits to the State Department of Revenue each month. Rather, they could receive the same credit for tax payment if they mailed the return as a check to Citizens Central, enabling the money to remain in the local area until it was collected by the state treasurer.

The announcements reminded merchants of the benefits of the local service, including a few extra days' float on the funds and no concern about interest penalties levied by the treasurer for late returns.

The bank offered to furnish merchants with bank-by-mail envelopes and receipts of deposit to provide proof that deposits had been made on time.

Although the newspaper ads proved ineffective, the mailers and personal calls made by the bank began to show positive results. Over an eight-month period, sales tax deposits at Citizens Central increased from \$8,000 to \$125,000 per month.

Eighty percent of the checks depositing the sales taxes are drawn on other

As far as can be determined, Tennessee is one of the few states that permits the deposit of sales taxes in local banks, as described in the accompanying article. However, passage of enabling legislation would change this situation, permitting banks to profit from the use of sales tax monies as Citizens Central, Murfreesboro, Tenn., has been doing.

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banks, and in one month, 18% of the checks were drawn on banks outside Rutherford County. Several of the new tax accounts have been brought in by board members and bank employees who have been an integral part of selling the program to the community.

With the exception of the promotion, the expenses of handling the new program are variable; but with the number of tax depositors at 80, the expenses for Citizens Central are averaging \$51.20 per month. With the state treasurer leaving the sales taxes deposited locally for about 30 days, income is exceeding direct expenses by about 600%. (Earlier in the year the treasurer was leaving tax monies deposited locally for about 90 days.)

These deposits have increased the supply of funds in Murfreesboro. Citizens Central has used the idea of increasing the supply of company funds through float as a selling tool. All sales tax depositors have longer use of their funds because Citizens Central holds all tax checks until the 20th, no matter when they are received. This aspect of float was a heavy selling tool, but for many depositors an additional three-to-five-day float is generated by companies that draw their sales tax check on out-of-town banks.

The increased float for merchants, one-to-one selling, the merchant reminder on the 19th and the concept of keeping money local have paid off with an increase in bank funds for Citizens Central. Nevertheless, the bank has had to guard against some misconceptions. It must frequently be explained that the bank serves only as a collection agency; it cannot fill out tax forms for merchants and it cannot make out checks for taxes.

The biggest stumbling block to getting merchants to deposit sales taxes locally is the fact that the tax figures are an open book to the sales figures of merchants. For this reason, Citizens Central has been careful to build a system to safeguard confidentiality. Only two people—Mr. Plummer and a bank employee who is the exclusive handler of tax information within the bank—have access to the deposit figures.

The sales tax deposit program has been a success for Citizens Central. It has added new deposits and new income to the bank. But, it has also increased the funds available to local borrowers, funds that are sorely needed at this time. The supply of these funds could easily be increased if the state treasurer decides to leave the funds deposited locally for more than the current 30-day period.

Some by-products of the program have been to build the image of the

bank and to convince more local businessmen that Citizens Central is a bank that cares. Mr. Plummer is now considering an active campaign to encourage merchants to deposit FICA and federal withholding taxes with Citizens Central.

As these programs develop, deposits should increase, not only for Citizens Central, but for its competitors as well. This growth will add to the supply of local funds—a significant key to area growth and development. • •

Banks' Caduceus:

Plastic Card Is Premium; Shows Medical History

A new kind of premium has been introduced that may help save the life of a customer and can bring new accounts to a bank.

Called the Medical Data Card, it resembles a standard credit card, except it contains a piece of microfilm with the bearer's medical history. Marketed by MIS Sales, Inc., New York, the program has been used by several banks with great success.

Northgate National, Hutchinson, Kan., reportedly has given the cards to approximately 300 customers who added to or opened \$100 savings accounts. There was no charge.

Northgate National advertised the program heavily in local newspapers, radio and via statement stuffers. A 30-second TV spot also was used. To kick off the campaign, the bank donated a microfilm viewer to the local hospital and thus received the hospital staff's support for the program. The donation was publicized in the Hutchinson newspaper.

MIS guarantees market exclusivity to financial institutions using the Medical Data Card, which details to a doctor immediate warning signals, previous and existing conditions, names and phone numbers of relatives, the bearer's personal doctor's name and phone number and other pertinent information such as blue cross number, blood type, etc. In case a hospital isn't equipped to read microfilm, the MD Card includes an emergency number that can be called at any time for a readout of the information.

First National, El Dorado, Ark., began issuing the cards for a deposit of \$50, offering additional cards at the self-liquidating price of \$5. Officials at the bank say just under \$100,000 in deposits were attributable to their issuance and nearly 40% of those were new accounts.

A customer applies for the service

by merely filling out a medical history, which is kept confidential. MIS provides an advertising package at no cost, which includes newspaper, outdoor and radio ad copy and statement enclosures.

Elk Horn Bank, Arkadelphia, Ark., has offered the service as a part of its Total Account Club and Golden Opportunity Account (for those over age 60). Billboards and local newspapers have been used by the institution to announce the availability of the cards, and since January, officials report that over 500 have been issued.

Lake County National, Painesville, O., has found the card to be a source of good will from the community, according to a bank spokesman. That bank offers the program to senior citizens and new or existing Total Two Program members for \$4 per card, while checking or savings customers are billed \$5 for the service.

Lake County National has used stuffers, lobby displays, newspaper and radio advertising to promote the MD Card and also donated Kodak microfilm reading machines to all local hospitals. The health centers there reportedly are quite enthusiastic about the program and bank officials report a great deal of success with the premium.

ABA Agricultural Conf. To Feature Workshops

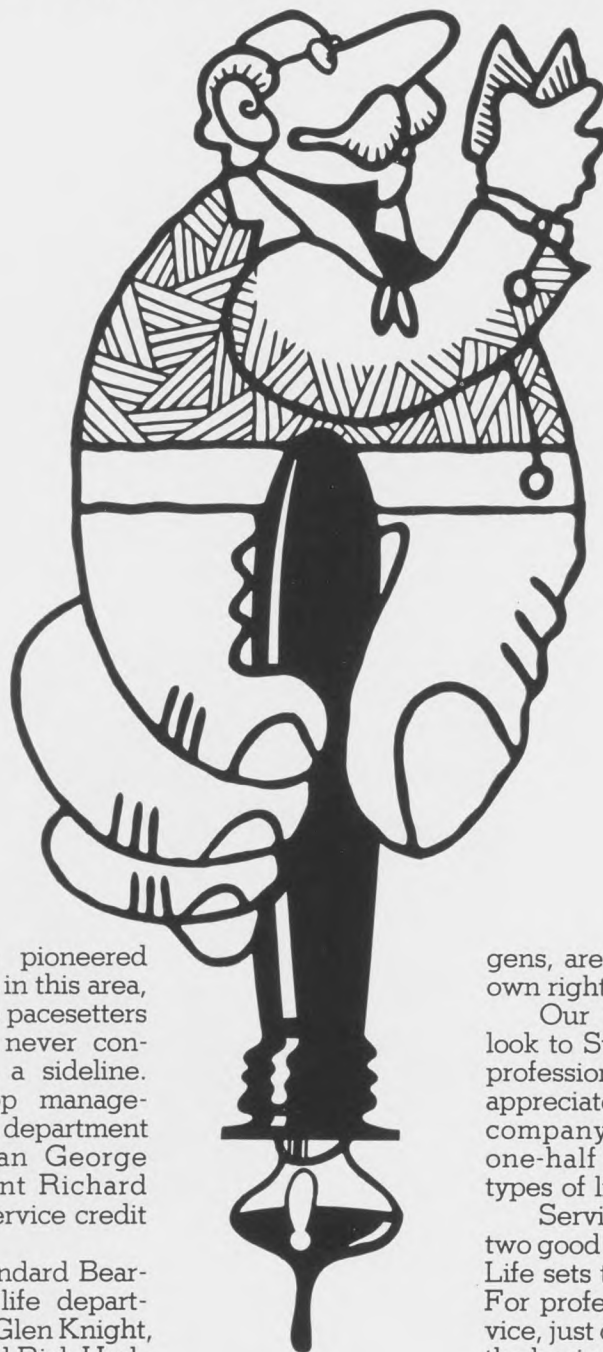
The ABA's 24th national Agricultural and Rural Affairs Conference, which will be held November 16-19 in Houston, is expected to attract more than 1,000 bank chief executive officers and agricultural specialists, said Rex G. Plowman, chairman of ABA's Agricultural Bankers Division, which sponsors the conference.

The conference theme, "Agri-Banking: Perspective, Professionalism, Profits," will be developed in a wide variety of detailed workshops on such topics as financing the young farmer, techniques of customer counseling and problem loans, said Mr. Plowman, who is also president and chairman, Lewiston (Utah) State.

A press seminar on America's agricultural-economic outlook will be a major segment of the conference.

The first registration mailing for the conference will go out this month. Bankers who wish to receive the mailing should contact the Conference Coordinator, Agricultural Bankers Division, American Bankers Association, 1120 Connecticut Ave., N.W., Washington, DC 20036.

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Economical Audio Response System Saves Time in Obtaining Account Info

WITH the installation of a low-cost audio response information system, Rapides Bank, Alexandria, La., has been able to significantly reduce the amount of time required to handle several important bank transactions.

Through the use of the new system, which utilizes an IBM System 7 computer, the bank has put all of its tellers and many other employees instantly in touch with checking, savings and installment loan account information. The Rapides Bank system is said to be the first such installation in a commercial bank in the United States.

Called "SIS" (Special Information System), the computer responds with an electronically simulated "voice" to coded inquiries made by telephone by tellers and other employees.

One of the primary advantages of this system is its low cost. Rapides Bank has 85,000 accounts on file with approximately 140 employees authorized access to the system and is averaging about four calls per minute. Configured to handle this volume, the system costs approximately \$3,000 a month for the System 7 computer and the necessary telephone equipment.

Robert H. Bolton, bank president, said the system was installed when it became apparent that the bookkeeping and note department staffs would have to be expanded to handle the increased volume of information requests caused by the opening of three branches in 1974 and early 1975. He feels that the personnel savings has amounted to four to five employees.

Employees at any of the bank's eight branch offices can "call" the

System 7 in the bank's main office downtown. Up to six separate inquiries can be handled simultaneously.

Here's how the system works: J. B. Doe presents a savings withdrawal for \$500 on his account to a teller at the bank's Bolton Avenue Office. Without leaving her station, the teller dials the computer on her telephone, keys in her identification code, a transaction code, Mr. Doe's savings account number and the amount of the withdrawal.

Instantly, the teller receives a spoken, computer-controlled response, "Balance six seven five point three two. Five zero zero point zero zero good." The teller can then update Mr. Doe's account to reflect the \$500 withdrawal so the proper balance will be given to the next caller,

and the teller completes the transaction immediately. At no time was it necessary for the teller to contact another staff member at the branch office or the main office for information needed to handle the withdrawal.

Before the bank installed the IBM system, employees called the bookkeeping department to obtain information on checking and savings accounts. Now the bookkeeping department can work without interruption and the telephone lines are open for requests from customers.

The system is updated daily after processing of the day's work on the 370 is complete, and then operates independently the rest of the time, freeing the 370 for other jobs. Daily updating takes only five or six minutes. ••

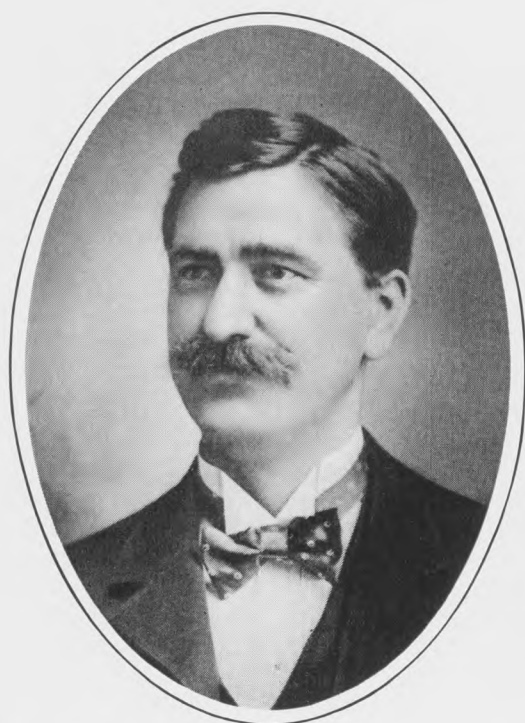


Mary Rushing of Rapides Bank's bookkeeping department demonstrates System 7 audio response system.

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HAS BEEN OUR
CORRESPONDENT
SINCE MY FATHER
WAS PRESIDENT
OF THIS BANK.**

**WHICH DOESN'T HAVE
ANYTHING TO DO WITH
WHY THEY STILL ARE."**

Mose E. Dorton, Chairman & President
First National Bank
Crossville, Tennessee



"**B**ut, it does point up the fact we've stuck with a winner. First American is our correspondent today because they do more for us. Always have.

"They've helped our town and county prosper. And supported our industry. In fact, it seems to me that the people at First American are as interested in the growth of our bank and community as they are in their own.

"What more could you ask from a correspondent bank?"

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If you get the idea that you could be getting more out of your correspondent banking relationship, you might want to give us a call. 1-800-342-8240 in Tennessee. 1-800-251-8514 in bordering states. First American Center, Nashville 37237.



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MID-CONTINENT BANKER for September, 1975

147

Credit Card Holders Can't Stop Payments Because of Bankruptcy

ST. LOUIS—A federal judge ruled here last month that credit-card holders who accumulate large debts while their general financial position is "desperate" cannot wipe out the obligations by filing for bankruptcy.

The ruling—believed to be the first of its kind in this area—was handed down by United States Bankruptcy Judge Robert E. Brauer. He held a St.

Charles, Mo., couple liable for a \$5,200 debt to BankAmericard even though they otherwise were declared bankrupt.

Under federal bankruptcy laws, debts of persons who file voluntary bankruptcies generally are set aside so that they can start over again. However, Judge Brauer said, "I have . . . seen instances of fraudulent use of credit cards. None of these instances has been as flagrant as the (couple's) use of credit cards here."

In essence, the judge held that if a credit card firm can prove that a card holder incurred debts that he had no intention or ability to repay, the card

holder cannot clear the debt by filing a bankruptcy petition.

The attorney for BankAmericard views the ruling as a landmark that will aid credit card firms in their current crackdown on unpaid bills.

BankAmericard contended that the couple in question ran up the credit charges "willfully and with the intent to defraud" the credit card firm. In addition, BankAmericard alleged that the couple had been contemplating bankruptcy when they used their credit card frequently in the summer and fall of 1974.

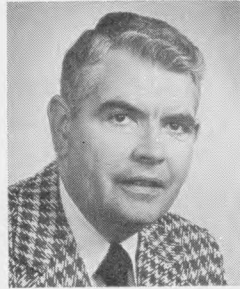
An appeal is unlikely, the couple's attorney indicated, because the husband failed to appear for a final hearing in the case August 7, and the wife came in 50 minutes late.

The BankAmericard lawyer said he believed the ruling will encourage credit card firms to intervene more often in bankruptcy cases. However, he said Judge Brauer's ruling does not contradict the spirit of the bankruptcy law because it's designed to "let an honest debtor out from under his debts."

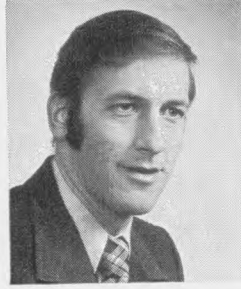
The couple had a credit limit of \$700, but managed to run up a \$5,200 debt before their card was suspended.



WALTER BIRMINGHAM



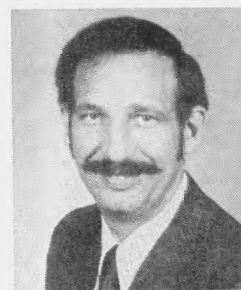
BRUCE BLUME



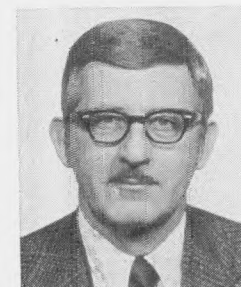
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Sell . . .
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Tips, Autographs:

Bank Sponsors Visits By Sports Figures

Want to improve your batting swing or putting technique? Residents of Schaumburg, Ill., had the chance to pick up a few tips on baseball and golf and to add an autograph or two to their collections when Suburban National of Woodfield sponsored guest appearances by Jose Cardenal of the Chicago Cubs and Emil Esposito, golf pro from Mt. Prospect, Ill.

Mr. Cardenal, who was named "Chicago Player of the Year" in 1973, led that team in 1974 with 159 hits, 35 doubles and 23 stolen bases. Noted for his showmanship and crazy antics on the field, the ball player answered fans' questions and signed autographs.

Mr. Esposito, who is head pro at Mt. Prospect's Dominion Golf and Country Club, is a two-time winner of the state Open Golf Championship and is a Professional Golfer's Association member. During his appearance at the bank, he demonstrated golf stances and corrected grips and gave other pointers.

Admission to the events was free and refreshments were served at no charge.

MUNICIPAL BONDS

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The major attraction of state and municipal bonds is their exemption from the federal income tax. While income from corporate and other securities is subject to federal income taxes ranging up to 70%, the interest on municipal bonds enjoys complete exemption from these levies. This means that each dollar of income from municipal bonds is spendable—not just the remainder after the tax collector takes his due. Speculators are not attracted to these securities because of this stable base.

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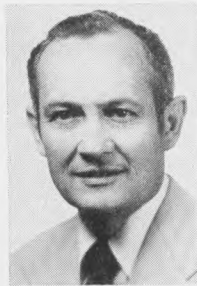
GUENTHER

Economic Education Heads List of Topics For KBA Regional Meetings This Month

Regional Vice Presidents



ADAIR



McNAY



GRUTZMACHER



SUELLENTROP



HOFFMAN



CHANCE

ECONOMIC education will highlight the program for Kansas bankers attending the 1975 regional meetings of the Kansas Bankers Association this month. Identical programs will be held at six locations, beginning September 16.

As usual, concurrent sessions will be held for CEOs and other officers and personnel, each beginning at 2 p.m.

The CEO meetings will be presided over by the KBA regional vice presidents. The programs will include presentation of plans for understanding and building the profit system. The first presentation will be made by Dr. Emerson Hazlett, executive director, Kansas Council on Economic Education, Kansas State University, and Dr. John Guenther, director, Center for Economic Education, University of Kansas. The second portion will be handled by KBA President Richard Ayres, president, Citizens State, Miltonvale, and George Doak, president, Kansas Development Credit Corp.

Final topic on the CEO program will be a report on the KBA/A. D. Little study about planning for EFT, presented by KBA President-Elect Floyd Pinnick, president, Grant County State, Ulysses, and EFT Committee Chairman John Cooley, senior vice president, Fourth National, Wichita.

Regional secretaries will preside at the meetings for other officers and personnel. The programs will include a talk on the advantages of being a banker in Kansas by Clifford W. Stone, president, Walnut Valley State, El Dorado, and member of the KBA Banking Education Commission; presentations

Regional Meeting Dates

- Region 1—Sept. 25—Lawrence**
- Region 2—Sept. 24—Iola**
- Region 3—Sept. 18—Manhattan**
- Region 4—Sept. 23—Wichita**
- Region 5—Sept. 17—Hays**
- Region 6—Sept. 16—Dodge City**

on economic education at the state level, and how to sell banking in your community, given by Drs. Hazlett and Guenther; and a presentation entitled "How to Make \$50,000 Extra—Without Really Trying."

After-dinner speaker at each meeting will be Countess Maria Pulaski, who served as a spy for the Allies during World War II. She will present some of the highlights of her experiences while serving as an agent for British Intelligence.

Details of individual regional programs are as follows:

Region One—September 25—Lawrence. Registration, Kansas Student Union lobby; key banker luncheon, English Room; CEO meeting, the Forum; other officers' meeting, Big Eight Room; banquet, Ballroom. The social hour will be at the Elks Club.

Vice president of Region One is John A. Adair, president, Exchange National, Atchison. He is also a director at First National, Goff, and Farmers & Merchants State, Cawker City. He was formerly with Northern Trust, Chicago.

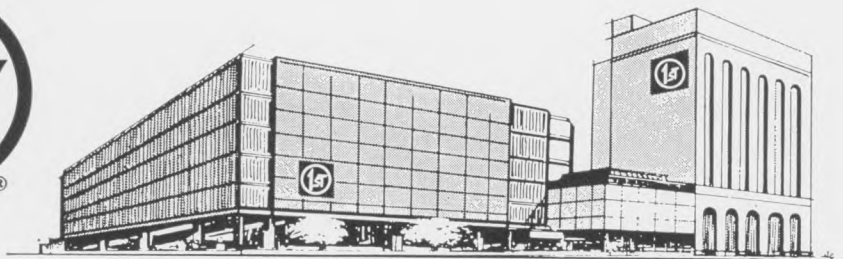
Region Two—September 24—Iola. Registration and key banker luncheon, Allen County Community College;

Our correspondent people talk your language because they've had experience with your kind of bank—and plenty of experience at First to make decisions.

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CEO meeting, Lecture Hall; other officers' meeting, Oread Room; social hour, Allen County Country Club; banquet, Community Building, Riverside Park.

John G. McNay, president, City National, Pittsburg, is vice president of Region Two. He served as vice president, First National, Topeka, prior to joining City National as president in 1965. He has served on numerous committees of KBA.

Region Three—September 18—Manhattan. Registration, KSU Student Union; key banker luncheon, University Club, Ramada Inn; CEO meeting, Little Theater, Student Union; other officers' meeting, Forum, Student Union; social hour, Ramada Inn; banquet, Student Union Ballroom.

Charles E. Grutzmacher, president, First National, Onaga, is vice president for Region Three. He joined his bank in 1945 as assistant cashier, became cashier in 1950, vice president in 1961, president in 1966 and chairman in 1967. He served as KBA treasurer in 1972-73.

Region Four—September 23—Wichita. Registration, Convention Hall, Century II; county key banker luncheon, Terrace Room, Holiday Inn Plaza; CEO meeting, M-201, Century II; other officers' meeting, M-101, Century II; social hour and banquet, Exhibition Hall, Century II.

Vice president of Region Four is John F. Suellentrop, president, State Bank, Colwich. He joined the bank as a part-timer in the mid '30s and became a full-time staff member in 1946. He was elected president in 1968, succeeding his father, John A. Suellentrop. He is serving on the fiscal policy committee of the Independent Bankers Association of America.

Region Five—September 17—Hays. Registration, Art Gallery, Fort Hays Student Union; key banker luncheon, Frontier Room; CEO meeting, Ballroom; other officers' meeting, Black and Gold Room; social hour, Smokey Hill Country Club; banquet, Ballroom, Student Union.

C. N. Hoffman Jr., president, National Bank of America, Salina, is vice president for Region Five. He has been with his bank for 20 years and has been president since 1961. He is a former chairman of the KBA automation committee and is a graduate of the Stonier Graduate School of Banking.

Region Six—September 16—Dodge City. Registration, Dodge City Community College, Little Theater Lobby; key banker luncheon, Santa Fe Trail Room; CEO meeting, Choral Room; other officers' meeting, Little Theater; social hour, American Legion Club; banquet, Silver Spur Convention Center.

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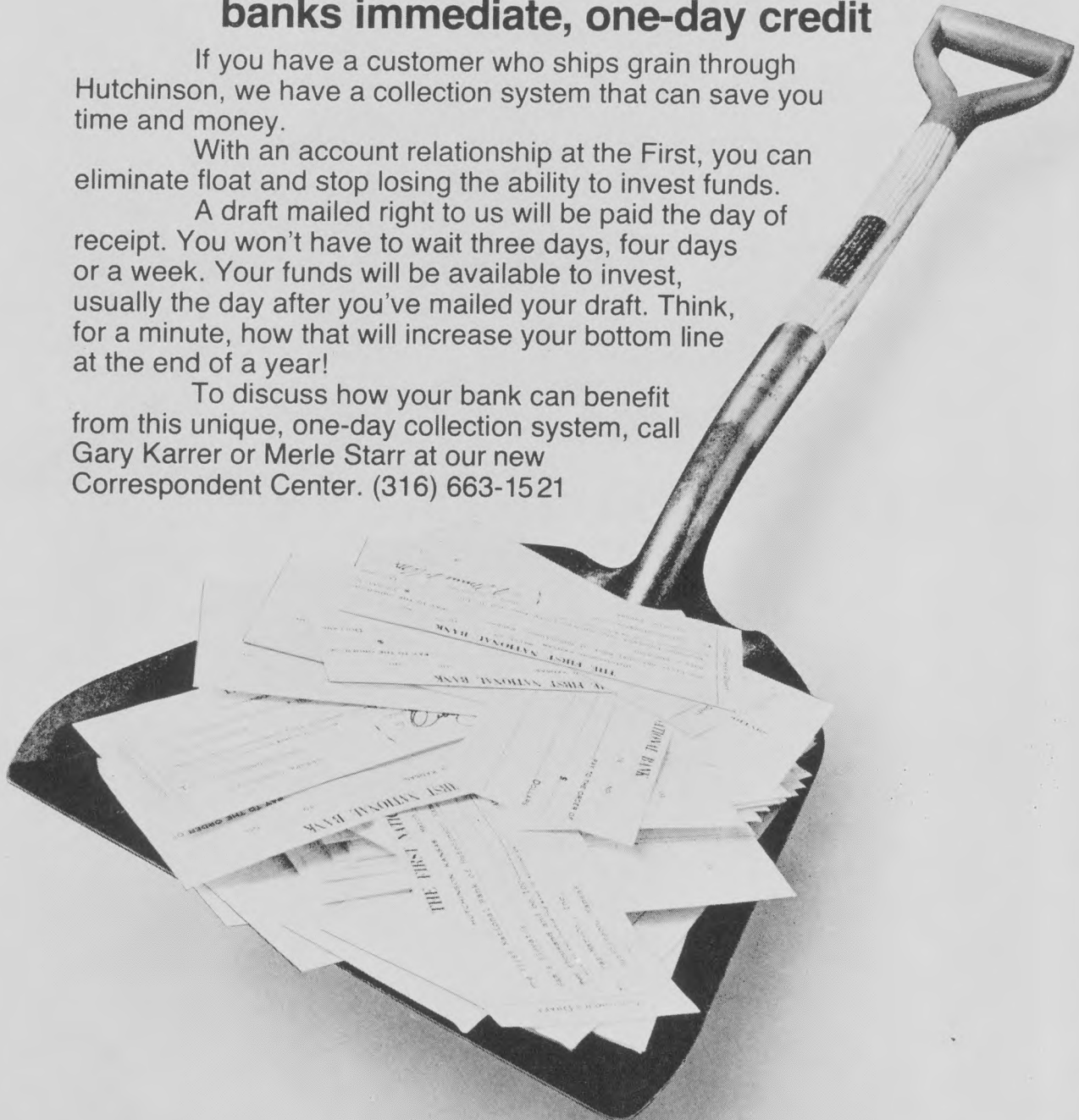
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Vice president for Region Six is Voyle E. Chance, president, Fowler State. He is a veteran of 28 years in banking, 21 of which have been with Fowler State. ••

New Regional Representatives Elected to Governing Council Of Kansas Bankers Association

Six newly elected regional representatives have begun serving three-year terms on the governing council of the KBA. They were elected last spring. During the third year of their terms they will serve as regional vice presidents.

They are Eugene C. Hegarty, president, Farmers & Merchants State, Effingham—region one; W. G. Bodley, president, Bank of Commerce, Chanute—region two; George Maxwell, president, Citizens State, Osage City—region three; C. A. Williams, chairman, Halstead Bank—region four; Jack B. Berkley, chairman and president, Stockton National—region five; and Mrs. Helen Recknor, first vice president, Peoples National, Liberal—region six.

Mr. Hegarty has been with his bank since 1950, beginning as a bookkeeper. He served on the Kansas State Banking Board from 1969 to this year.

Mr. Bodley joined Bank of Commerce in 1958 as vice president and

was elected president in 1960. He is a former KBA treasurer and is a graduate of the Graduate School of Banking at the University of Wisconsin. Prior to his banking experience, he was in the petroleum and aircraft industries.

Mr. Maxwell has been in banking since 1966. Prior to that time, he was in the life insurance business. He joined his bank as assistant vice president in 1966 and was named president in 1971. He is a past president of the Osage City Chamber of Commerce.

Mr. Williams is also president, State Bank, Bentley, and has seen service with Haven State and Home State, McPherson. He is a former member of the Kansas State Banking Board and has served on the banking committee of the Kansas House of Representatives.

Information about Mr. Berkley was not available at press time.

Mrs. Recknor joined Peoples National in 1942 as a bookkeeper, became an officer in 1949 and a director in 1963. She is a former Region Six secretary and is a member of the Banking Education Committee of KBA. She is past president of the Southwest Chapter of BAI and has served in many capacities with the National Association of Bank-Women.

There's more to being a good correspondent bank than calling yourself one!

It takes men ready to become personally involved in your problems. Men with the authority to make decisions, and the knowledge in their field to make the right ones. Men like Beanie Broadhead, John Karn and Phil Miller... agricultural pro's from the First Stock Yards Bank. Just give them the chance

between talking about good correspondent services and actually giving them.

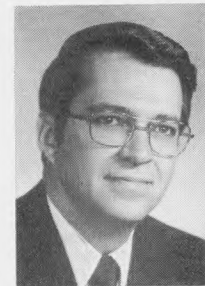
Credit information. Financing assistance. Collection and remittance services. Just give them the chance and they'll show you the personal, professional services you've been looking for in your correspondent bank.



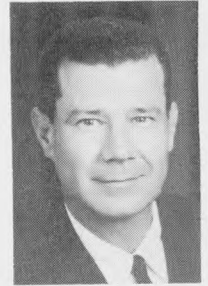
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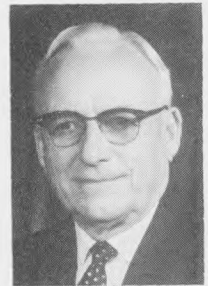
HEGARTY



BODLEY



MAXWELL

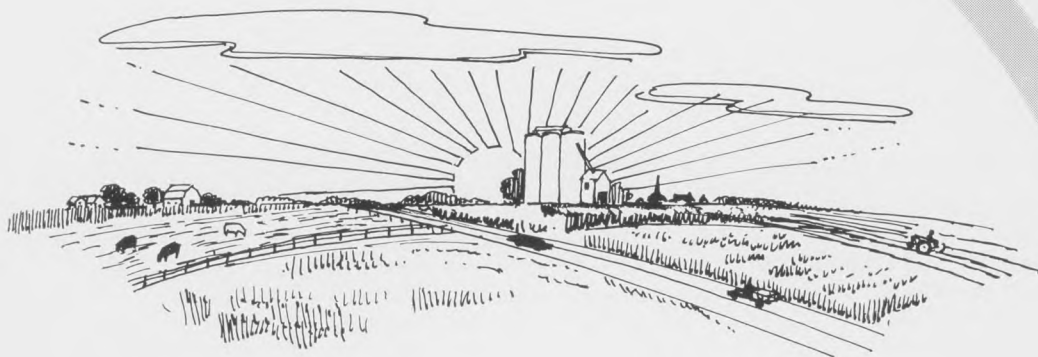


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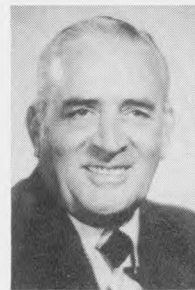
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DALE



NASH



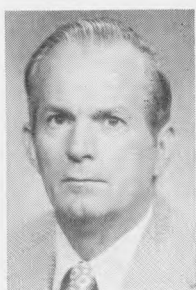
HIELSCHER

RESPA and Campaign Disclosure Law Set for MBA Regional Meetings

Regional Meeting Dates

- Region 1, Sept. 22—Hannibal
- Region 2, Sept. 23—Trenton
- Region 3, Sept. 24—St. Joseph
- Region 4, Sept. 25—Kansas City
- Region 5, Sept. 16—St. Louis
- Region 6, Sept. 17—Sikeston
- Region 7, Sept. 18—Springfield
- Region 8, Sept. 15—Columbia

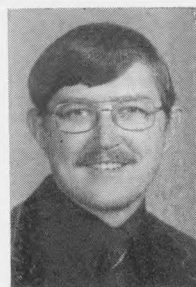
Regional Vice Presidents



INCE



BELSHE



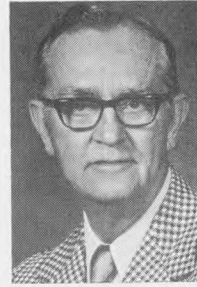
WILSON



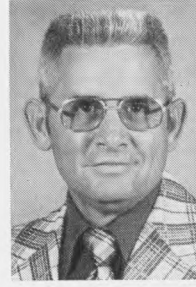
PLUMMER



FURRER



HARPER



STONE



DAVIDSON

RESPAs—the Real Estate Settlement Procedures Act—will be the principal topic at this year's regional meetings, sponsored by the Missouri Bankers Association. The meetings begin September 15 and conclude September 25.

Each of the eight regional meetings will feature a 45-minute overview of RESPA, conducted by MBA staffer Wade Nash. A question-and-answer session will follow and bankers will be given the opportunity to register their complaints about the act. Mr. Nash said the MBA expects to serve as a means for routing bankers' complaints about RESPA to the proper officials in Washington.

Also set for the program is a discussion of the Federal Election Campaign Act amendments of 1974 by MBA General Counsel Dick Dale. A thorough explanation of the complexities of the act and how it affects contributors will be presented at each of the eight regional programs.

MBA President Richard J. Pflieger,

president, Bank of St. Ann, is expected to make a brief address at each regional and brief business sessions also will be held at each meeting.

At the Region Three meeting in St. Joseph, Al Ward, regional manager, Pillsbury Co., St. Joseph, will speak on the state of the grain market.

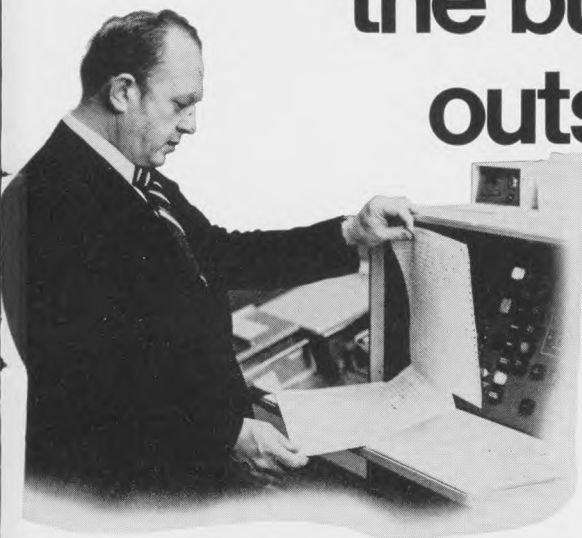
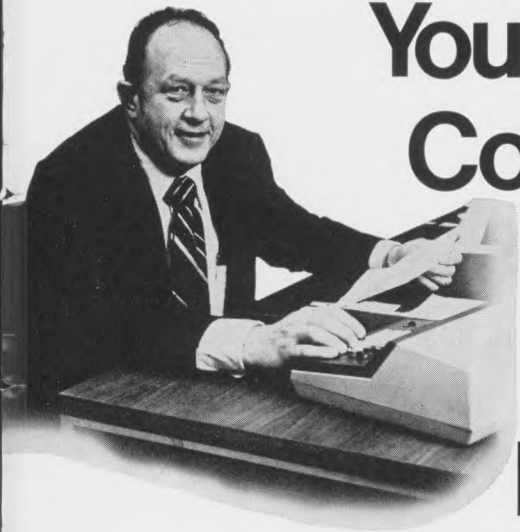
Banquet speaker will be Newt Hielischer, humorist from Shreveport, La.

Following is background information on the regional vice presidents:

Region One. Ralph E. Ince joined Bank of Louisiana in 1946, following service with the Air Force. He was named assistant cashier in 1949, cashier in 1965 and executive vice president and director in 1967.

Region Two. Charles Belshe joined First National, Gallatin, in 1959 after serving as a county extension agent for the University of Missouri. He is currently senior vice president at the bank. He has served MBA as chairman of the agricultural committee and is a past president of the Four County Bankers

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We're a home-town bank run by home-town people. Not many metropolitan banks can boast that fact these days. The families who founded St. Johns Bank still are represented in its management. We think that has numerous advantages—who knows the trade area better than those who helped build it?

We're 50 years old in 1976! We're already beginning to celebrate.

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HUBERT V. KRIEGER	Auditor and Comptroller
JERRY L. BYRD	Vice President
FRED G. FETSCH	Assistant Vice President
LEONARD W. HUDDLESTON	Assistant Vice President
JACK K. ISHERWOOD	Assistant Vice President
EARL R. LUNDIUS	Assistant Vice President
WILLIAM O. ROBARDS	Assistant Vice President
MARIE WELLINGHOFF	Assistant Vice President
VIRGINIA F. HAUSER	Assistant Cashier
CHARLES C. SMITH	Assistant Cashier
WALLACE J. SHEETS	Trust Officer
F. GILBERT BICKEL	Vice President
HARRY C. MUMMERT	Vice President
RUTH DICKEY	Mgr. Loan Dept.
IRMA G. HASTINGS	Mgr. Proof Dept.
EARLENE TAYLOR	Mgr. New Accounts

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Association and the North Central Chapter of BAI.

Region Three. Ivan D. Wilson is vice president and cashier at First State, King City. He began his banking career in 1964 and is a graduate of the Graduate School of Banking at the University of Wisconsin.

Region Four. Robert V. Plummer is vice president, Columbia Union National, Kansas City. He joined the bank in 1970 and was assigned to its correspondent bank department, traveling in Missouri and Kansas. He recently served as manager of the bank's data processing department, which he helped establish.

Region Five. J. Richard Furrer joined South Side National, St. Louis, in 1965, following service with Webster Groves Trust, Ford Motor Credit Corp. and Commercial Credit Corp. He is executive vice president at the bank.

Region Six. L. Delbert Harper joined National Bank, Caruthersville, in 1959 as assistant cashier. He was elected president in 1967.

Region Seven. Jack Stone has been with Bank of Table Rock Lake since 1960, and was named executive vice president in 1964. He has attended the National Commercial Lending School.

Region Eight. J. Helm Davidson began his banking career about 30 years



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ago with Farmers & Merchants, Hannibal. In 1952 he joined First National City Bank, New York, which he served until 1962, when he returned to Missouri to join Columbia Savings (now First Bank of Commerce), where he is a vice president. • •

Bankers Learn Farmers' Needs At Mo. Agricultural School

Missouri bankers attending the first Basic School of Agricultural Banking at the University of Missouri in June were told how they can help their farm customers in three basic ways.

According to Tom Brown, agricultural economist for the university, bankers can help farmers by (1) providing the credit needed, (2) serving as counselors on financial matters related to farming and (3) advising farm operators on managerial and technical aspects of agriculture.

Thirty-seven students from as many banks attended the school, which was brought into being by the Missouri Bankers Association.

■ ROBERT D. HULL has joined First National, Montgomery City, as agricultural representative. He went there from Bank of Osborn.

■ FED APPROVAL has been given for acquisition of Farmers State, Princeton, by Ameribanc, Inc., St. Joseph. Approval for the merger of Ameribanc and First American Banchares, Inc., St. Joseph, is pending.

■ WILLIAM F. ENRIGHT JR., executive vice president, American National, St. Joseph, has been named by Missouri Governor Christopher Bond to the state banking board. Mr. Enright also serves as vice president and director of the bank's HC, Ameribanc, Inc., St. Joseph, and is a former Missouri Independent Bankers president.

■ A. BAYARD CLARK has joined Bank of Ladue as vice president. Prior to that, he was assistant cashier, commercial lending, Boatmen's National, St. Louis.

■ BEN M. GLASSEN has been elected chairman of Commerce Bank, Moberly. He joined the bank as a teller in 1939 and was serving as vice chairman prior to his recent election. Mr. Glasen served as Missouri Bankers Association president in 1962.

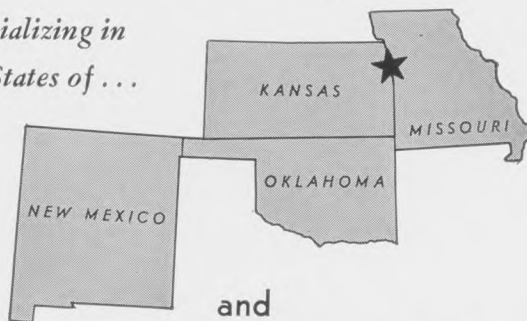
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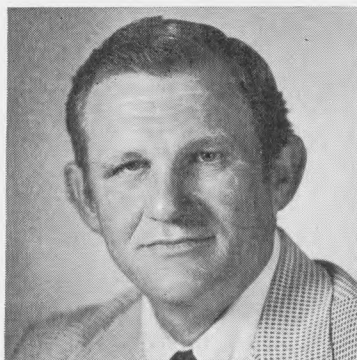
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NEWS

From the Mid-Continent Area

Alabama

■ REX J. MORTHLAND, chairman, Peoples Bank, Selma, and former American Bankers Association president, has been awarded an honorary doctor of laws degree by the University of Alabama. Mr. Morthland presently is chairman, ABA Governing Council.



■ HENRY F. SCHAUB, Roger J. Geil, Thomas A. Horst Jr. and Carl E. Jones Jr. have been promoted to executive vice presidents at Merchants National, Mobile. William B. Inge Jr. has been named senior vice president and trust officer, while Walter I. Cleverdon and James P. Vinson were elevated to assistant vice presidents at the bank. Mr. Vinson also was named petroleum

engineer. Mr. Schaub joined the bank in 1938; Mr. Geil, in 1954; Mr. Horst, in 1950; and Mr. Jones, in 1962.



Congratulating one another after the announcement of their promotions to e.v.p. at Merchants Nat'l, Mobile, are (seated, from l.) Thomas A. Horst Jr. and Henry F. Schaub and (standing, from l.) Carl E. Jones Jr. and Roger J. Geil.

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- First Alabama Bank of Dothan
- First Alabama Bank of Selma, N.A.
- First Alabama Bank of Gadsden, N.A.
- First Alabama Bank of Athens, N.A.
- First Alabama Bank of Baldwin County, N.A.
- First Alabama Bank of Guntersville
- First Alabama Bank of Hartselle
- First Alabama Bank of Phenix City, N.A.
- First Alabama Bank of Mobile County

First Alabama

■ GORDON P. SWEENEY has joined First National, Birmingham, as senior vice president and human resources division head, going there from Wachovia Bank, Winston-Salem, N. C. David L. Thomas, formerly trust officer at First National, has transferred to Alabama National, Montgomery, as vice president and trust officer. He will coordinate trust division functions there. Alabama National and First National are affiliates of Alabama Bancorp., Birmingham. At First National, Thomas M. McCulley, William C. Powell, William M. Arnold Jr. and C. Stanley Bailey have been promoted to assistant vice presidents, data processing department.

■ LEN B. SHANNON has been named senior vice president-general manager of marketing at Central Bancshares of the South, Inc., Birmingham. Mr. Shannon, who went to the HC from Sperry Rand in 1974, also will serve on the Central Bancshares executive management committee and will be a director of Central Computer Services, Inc., a wholly owned subsidiary of the HC.

■ CITIZENS BANK, Thomasville, has opened. The new institution offers all banking services. T. A. Branch serves as president and CEO.

■ SOUTHLAND BANCORP., Mobile, plans to acquire First National, Fairhope. Approval is pending.

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corresponding
with us means more
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■ **FIRST NATIONAL**, Birmingham, has opened its Civic Center Branch in a temporary office. Larry O. Holt, assistant cashier, serves as manager. Construction of the permanent facility at that location is under way.

Arkansas

■ **ROBERT P. TAYLOR** has been named vice chairman at Worthen Bank, Little Rock, going from his position as president and CEO, Arkansas Blue Cross and Blue Shield, Inc. He previously was senior vice president at the bank (1966-1972) and has served as executive vice president at the bank's parent HC, First Arkansas Bankstock Corp., Little Rock.

■ **AGNES HARWELL** and Allen Tegethoff have been named assistant vice presidents at Commercial National, Little Rock, while Kirk Dixon has been promoted to commercial loan officer. Connie True has been elevated to trust operations officer and Harry Gibson has been named branch administration officer at the bank. In other news at Commercial National, A. M. Feland III has been elected a director. He is general manager, Southern Farmers Association.

■ **W. D. BRATTON**, automated services division manager, has been elected vice president at Union Na-



TAYLOR



COREY



ADDINGTON



WEST

tional, Little Rock. J. O. Kumpe, recently retired from the University of Arkansas' cooperative extension service, has joined the bank as agricultural consultant. Mr. Bratton joined Union National in 1972.

Illinois

■ **ROBERT F. COREY**, senior vice president in charge of the investment division at Drovers National, Chicago, has assumed additional responsibilities as head of correspondent banking. Mr. Corey will work with correspondent bankers in an area including Illinois. Richard P. Griffith has been appointed to the correspondent division.

■ **HERBERT P. EVERT** and Leonard M. Spalding Jr. have been elevated to senior vice presidents, trust department, at Northern Trust, Chicago.

■ **KEENE H. ADDINGTON** has been named administrative vice president at American National, Chicago. He previously was president, Pandick Press Midwest, Inc., Chicago, and will have responsibilities in the bank's marketing and operations areas.

■ **J. ROY WEST**, second vice president in American National of Chicago's correspondent division, has retired. He joined the bank in 1934 as an office boy, rose through the ranks, and was appointed to his last position in 1949. Mr. West has joined Wayne Hummer & Co., Chicago.

■ **KATIE FIENE**, who combines working for First National, Steeleville, with writing for the *Sparta News-Plaindealer*, won a first-place award from the National Federation of Press Women. She was honored for her "Katie's Kolyum," which appears weekly in the *Sparta* paper. In the column, which she has been writing for 19 years, Mrs. Fiene presents "a woman's viewpoint" on various issues. She went to Sun Valley, Idaho, for the award presentation. Mrs. Fiene handles advertising and public relations at the bank.

■ **HARRIS BANK**, Chicago, has announced several promotions. John S. Dunhill, trust department, has been elected senior vice president. Edward K. Banker, senior vice president, has been named deputy group executive, international group; H. Charles Becker has been promoted to senior vice president and succeeds him as U. S. group executive; Edward W. Lyman Jr., vice president, replaces Mr. Becker as U. S. group division administrator; John A. Sivright has been elevated to senior vice president and deputy group executive, Chicago group; and Frederick E. Bishop, vice president, succeeds him as that group's division administrator. Robert P. Seass has been elected vice president and controller and group executive, planning and control. Mr. Seass has been succeeded as planning office head by J. William Gimbel III, assistant vice president. Richard J. Egan, vice president, has been named accounting division administrator, while P. David Hubbard, vice president, has

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been promoted to vice president and secretary and Charles D. Wesselhoeft, vice president and senior accounting officer, has been moved to the group level, where he is responsible for taxation, expense control and related financial analyses.

■ JAMES E. NEVELS has joined Heritage/Pullman Bank, Chicago, as vice president, industrial banking, while Laverne VanKooten, assistant vice president, personal banking, and Larry Van Haren, real estate inspector, have retired. Both joined the bank in 1955. Mr. Nevels has worked at several Chicago banks.

Indiana



O'CONNOR



FRONEK

■ DAVID T. FRONEK and Lawrence A. O'Connor Jr., vice presidents and metropolitan division group heads, Indiana National, Indianapolis, have been named to head two new INB corporate banking divisions, which will replace the metropolitan division. Mr. Fronek will head division "A," while Mr. O'Connor has been appointed head of division "B."

■ GORDON F. GAYLORD has been elected assistant vice president and security officer at Purdue National, Lafayette. Succeeding him as auditor is Lillian M. Conrad. Mr. Gaylord joined the bank in 1954, and Mrs. Conrad, in July. She was with Purdue University, Lafayette.

■ MAURICE R. KIRKWOOD has been named vice president and secretary to the board at American Fletcher Corp., Indianapolis, while C. Harris Weerts has been promoted to vice president and controller and John S. Hawks has been elevated to vice president and

assistant treasurer. Mr. Kirkwood joined the HC's bank, American Fletcher National, Indianapolis, in 1952; Mr. Weerts, in 1971; and Mr. Hawks, in 1961.

Kansas

■ JAMES R. HEFLEY has been appointed correspondent bank officer at Commercial National, Kansas City. He has completed the bank's management training program.

■ KEITH O. GARDNER, Alvin D. Koons and Darwin D. Roberts have been elected vice presidents at First National, Wichita. Paul L. Richmond has been elevated to correspondent bank officer. Messrs. Gardner and Koons joined the bank in 1974, while Mr. Roberts joined First National in 1959.

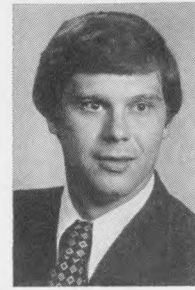
■ JAMES R. GRIER III, senior vice president, Fourth National, Wichita, and Richard J. Boushka, president, Vickers Energy Corp., Wichita, have been named director and advisory director, respectively, at the bank and its HC, Fourth Financial Corp., Wichita.

■ VICTOR D. WHITAKER has been elevated to vice president and cashier, while Thomas J. Runyon has been named vice president-real estate at First State, Salina.

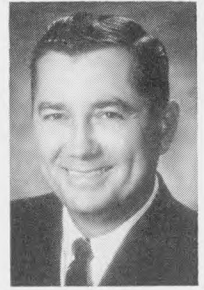
Died: Earl C. Woodward, 86, chairman, National Bank of America, Salina, after a short illness. Mr. Woodward had been on the bank's board since 1950 and became president in 1954, serving in that position until 1961. He was elected chairman in 1971. Besides his board service at NBA, Mr. Woodward was a member of the loan, trust, salary and examining committees.

Kentucky

■ DR. DAVID S. COLVIN has been elected chairman at Fort Knox National. Dr. Colvin, who practices general medicine in the Radcliff area, has been a director of the bank since 1967.



HEFLEY



SIMONEAUX

■ LEWIS J. WILLIAMS has been elected president at American National, Newport, succeeding August H. Eilerman, who retired June 30. Robert J. Borchers and William J. Williams have been elevated to vice presidents, while Clara McAtee has been named cashier.

■ DOUGLAS J. RICHARDSON has been named vice president and automated customer services director, Citizens Fidelity, Louisville; Clay B. Morris Jr. has been elected assistant vice president and Medical Center Office manager, and Robert Ray Robinson has been promoted to assistant vice president and manager, Louisville Data Center.

Louisiana

■ M. J. "KELLY" SIMONEAUX, senior vice president and cashier, City National, Baton Rouge, has been named a state director of Bank Administration Institute, Park Ridge, Ill. During his two-year term, Mr. Simoneaux will represent the BAI in Louisiana as a volunteer official, coordinating statewide membership services. He will continue in his position at the bank. Mr. Simoneaux is a past president of the local BAI chapter, which he helped organize in 1962.

■ PAUL E. SKRETNY has been named president and CEO at Century National, New Orleans, while Adrien E. Dupuis, who formerly held that position, has been elected vice chairman. Mr. Skretny goes there from Bank of Buffalo, N. Y., where he served as vice president in charge of branch bank administration.

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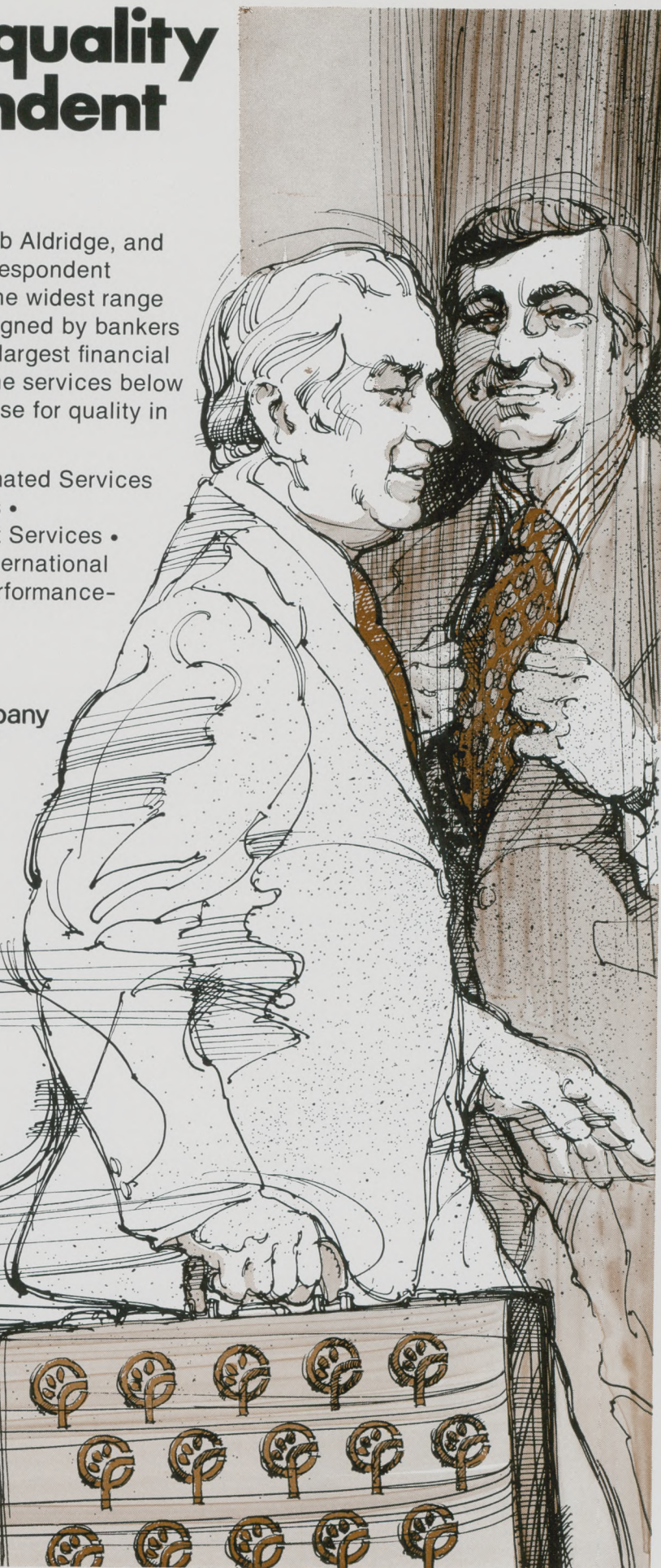
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■ DONALD E. ALLRED, H. Ford Bell, Thomas A. Boone, J. Errol Gautreau, Robert Jennings and E. Cole Thornton have been named vice presidents at Louisiana National, Baton Rouge. Messrs. Allred, Bell and Jennings joined the bank in 1965; Mr. Boone, in 1970; Mr. Gautreau, in 1963; and Mr. Thornton, in 1973.

■ CHARLES C. "BUSH" LeBOURGEOIS, senior vice president, has been named bond and money market group executive at First National Bank of Commerce, New Orleans. In other promotions at First NBC, John H. Palmer, trust committee chairman, has been elevated to investment and trust group executive and Robert D. Richley, senior vice president, has been named personal banking group executive. Elected assistant vice presidents at the bank were David E. Browning, Minia B. Hamilton, Edwin F. Martin, Donald W. Seeley and David E. Trahan.

Mississippi

■ NELL S. MITCHELL, vice president in charge of marketing, Fidelity Bank, Jackson, has been awarded a scholarship to Bank Marketing Association's graduate course in bank marketing management. The BMA is headquartered in Chicago. Mrs. Mitchell graduated from the BMA School of Bank Marketing at Boulder, Colo., and was voted top student by the school's faculty, staff and her classmates. She may attend the graduate course, a one-week program, at the university of Wisconsin, Madison, within the next two years.

■ A. OWEN BUNN, vice president and computer services manager, Hancock Bank, Gulfport, has graduated with honors from the Bank Administration Institute's School for Bank Administration, University of Wisconsin.

J. T. Brown Dies

J. T. Brown, 89, ch. and CEO (ret.), First Nat'l, Jackson, died July 8. At the time of his death, he was serving as counsel for the Miss. BA. Mr. Brown was pres. of that assn., 1956-57, and served as state banking dept. attny., 1917-37. He was elected pres., Capital Nat'l, Jackson, 1933, and pres. of First Nat'l after Capital Nat'l and Jackson State Nat'l merged to form that bank in 1949.



Missouri

■ PATRICK J. BRENNAN, formerly vice president, international department, Mellon Bank, Pittsburgh, has joined Mercantile Trust, St. Louis, as senior vice president, international group.

■ ROBERT H. HOFF, formerly vice president, Commerce Bank, Kirkwood, has been appointed regional vice president at Commerce Bancshares, Inc., Kansas City, HC for the bank. He will have responsibilities for affiliate banks in the St. Louis metropolitan area, Bonne Terre and Festus. Mr. Hoff joined Commerce of Kirkwood in 1964. In other news at the HC, Laura L. Kemper has been named assistant vice president. She is manager, advertising and public relations, marketing department. Miss Kemper joined Commerce Bancshares in 1972.

■ JOHN P. COLLINS has been elected an assistant vice president, bond department, at Mercantile Bank, St. Louis. He is primarily responsible for bond sales in Missouri. Charles L. Yager, trust tax division, has been elevated to trust officer, while Charles H. Waalkes, special industries division, St. Louis group of commercial banking, has been named banking officer. G. Richard Degen, comptroller's department, has been promoted to accounting officer; Shirley K. Burton, who manages the customer service division of the credit card department, has been elected consumer credit officer; and La Rissa M. Stevens and Leo A. Schumacher III, data processing, have been named assistant data processing officers.

■ GREGG L. CURL, Edward F. Doczy and Lois Scott have been elected assistant cashiers at Boatmen's National, St. Louis. Promoted to assistant trust officers were O. Frank Deremiah and R. Keith Richter, while Armand J. Loehr and Thomas J. O'Brien have been named data processing officers. Keith D. Miller has been elevated to assistant auditor.

New Mexico

■ RICHARD C. EVANS has been appointed executive vice president at Centinel Bank, Taos, going there from First National, Albuquerque, where he served as vice president. Mr. Evans has 16 years' banking and 10 years' related business experience.

■ PLAZA del SOL NATIONAL, reportedly Albuquerque's second minority-owned institution, has opened at



BRENNAN



WHEAT

600 Second NW. Paul Hernandez serves as president and CEO and previously was with Bank of America and Pan-American National, Los Angeles, reportedly the nation's first Spanish-American bank. Serving as vice president of Plaza del Sol National, which occupies about 4,850 square feet of space in the Plaza del Sol Building, is Raoul Cordova, former president, El Valle State, reportedly the city's first minority bank. Arthur J. Ortiz, who previously served with First National, Albuquerque, is the new bank's cashier.

■ SANDRA CARPENTER has been named assistant vice president at Western State, Albuquerque, and manager of the bank's new branch at Juan Tabo and Sierra Grande NE. She goes there from Albuquerque National, where she served as an assistant cashier.

■ ELIZABETH M. BARRERAS has been elected vice president and data processing manager at First National, Santa Fe. She joined the bank eight years ago and reportedly is the first woman to hold that office in any of the state's banks. Mrs. Barreras is a former director, New Mexico Association of Bank Women.

■ R. D. SKELTON has been named vice president and cashier at Western Bank, Clovis, a new bank. Mr. Skelton goes there from Winkler County State, Wink, Tex., where he was president and CEO.

Oklahoma

■ WILLIS J. WHEAT, senior vice president-marketing, Liberty National, Oklahoma City, has been appointed to a two-year term on the Oklahoma District & Advisory Council of the Small Business Administration. Council members advise the SBA administrator and staff on the effectiveness and need of current and proposed programs and channel information about SBA programs to local business, commercial and investment interests.

■ ARLIN E. CARROLL has been elected vice president, marketing division, at Fidelity Bank, Oklahoma City. Promoted to assistant vice presi-

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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.

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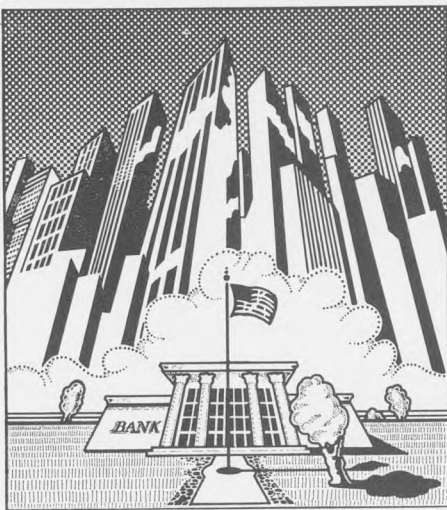
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Newhebron, Newhebron Bank/And Offices in Clinton and Pearl.

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dents were Robert E. Amyx, commercial loan division; Randall W. Ferguson, Master Charge unit, consumer loan department; and Betty J. Yeargain, personnel department. Nelson R. Pickrell, vice president, commercial loan department, has been elected president of Fidelity Leasing Co., Oklahoma City. He will remain as vice president at the bank.

■ **GROUND** has been broken for City National of Lawton's new multi-storied building at 500 City Center. The ceremony featured local bands and dignitaries. Shovels used for turning the earth were painted in a bicentennial motif of red, white and blue with a large white star in the center of each.

■ **C. RANDOLPH EVEREST** has been elected executive vice president and senior trust officer at First National, Oklahoma City. Earnest L. Upton Jr. has been named vice president and Lynn McClenny has been elevated to assistant vice president. Mr. Everest returns to First National after seven years as head, personal trust division, North Carolina National, Greensboro. He originally joined the bank in Oklahoma in 1959. Mr. Upton has been with First National since 1961 and Mr. McClenny, since January.

Tennessee



SMITH



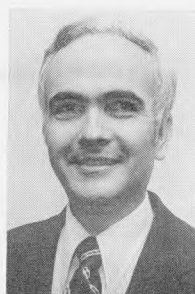
COPE

■ **JAMES W. SMITH** has been promoted to senior vice president at First American National, Nashville, while Francisco Jimenez and Thomas L. Martin have been elevated to assistant vice presidents. Mr. Smith joined the bank in 1952; Mr. Jimenez, in 1973; and Mr. Martin, in 1970.

■ **ANDREW G. COPE** has been named trust investment department head at American National, Chattanooga. Mr. Cope is a vice president and trust investment officer.

■ **BOBBY T. LOGUE** has been promoted to assistant vice president at Third National, Nashville. Formerly regional development officer, Mr. Logue has been with the bank since 1972.

COFER



■ **NEIL B. COFER** has been named senior vice president and trust officer and trust department manager at Hamilton National, Chattanooga. Mr. Cofer joined the bank in 1961 as a tax accountant, advanced through the ranks, and was elected vice president and trust officer in 1970.

Texas

■ **CRAIG PEMBERTON** has been named assistant vice president, correspondent banking, at Cullen Center Bank, Houston. He joined the bank in 1972 and was elected assistant cashier, correspondent banking, in 1973.

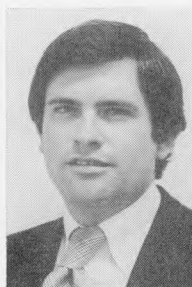
■ **RUFUS F. PARR**, assistant vice president, Fort Worth National, has retired after nearly 46 years with the bank. He joined the institution as an office boy in 1929 and was named to his last position in 1972.

■ **WILLIS C. FRITZ** has been named senior vice president, national division manager and executive committee member at Republic National, Dallas. He goes there from Charter New York Corp., where he served as senior lending officer.

■ **FRED E. WIGGINS** has been named vice president at Bank of the Southwest, Houston. He joined the bank in 1968, becoming a special representative in the correspondent department, 1971. Mr. Wiggins was assistant vice president and loan officer, metropolitan Houston department, prior to his recent promotion.



FRITZ



WIGGINS

■ **JAMES P. CAFFREY**, correspondent bank representative, BankAmericard center, has been appointed marketing officer at Bank of the Southwest, Houston. He joined the bank in 1973.

■ **H. GLENN McWILLIAMS**, correspondent banking and southwestern accounts; C. Larry Colgin, metropolitan accounts; and J. Thomas White, BankAmericard, have been promoted to vice presidents at Texas Bank, Dallas. Messrs. McWilliams and White joined the bank in 1968, while Mr. Colgin joined in 1969.



CAFFREY



McWILLIAMS

■ **HOWARD L. ECKOLS** has been promoted to vice president, correspondent banking, at Houston National. Churchill W. Jones has been named vice president, commercial banking, while John B. Woolston, commercial banking, and A. Wayne Young, employee relations, have been elevated to assistant vice presidents. Mr. Eckols joined the bank in 1969; Mr. Jones, in July; Mr. Woolston, in June; and Mr. Young, in 1968.



ESKEW



ECKOLS

■ **JERRY ESKEW** has been promoted to vice president and trust officer at First National, Fort Worth. He joined the bank in 1974 as trust officer and petroleum engineer. Prior to that, he served as senior secondary recovery engineer, George Mitchell & Associates, Inc., Bridgeport.

■ **MARTIN ZWICKY** has been elected vice president and trust officer at First City National, Houston. Prior to joining the bank in July, Mr. Zwicky managed his own real estate and investment interests.

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■ **SIDNEY W. HOWARD**, senior vice president, State National, El Paso, has retired. He joined the bank in 1928, advanced through the ranks, and attained his last position in 1972. Ronald J. Scott has been promoted from vice president to vice president and cashier at the bank. He joined State National in 1953 and additionally serves as secretary-treasurer, PanNational Group Inc., El Paso-based HC.

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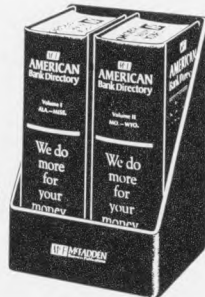
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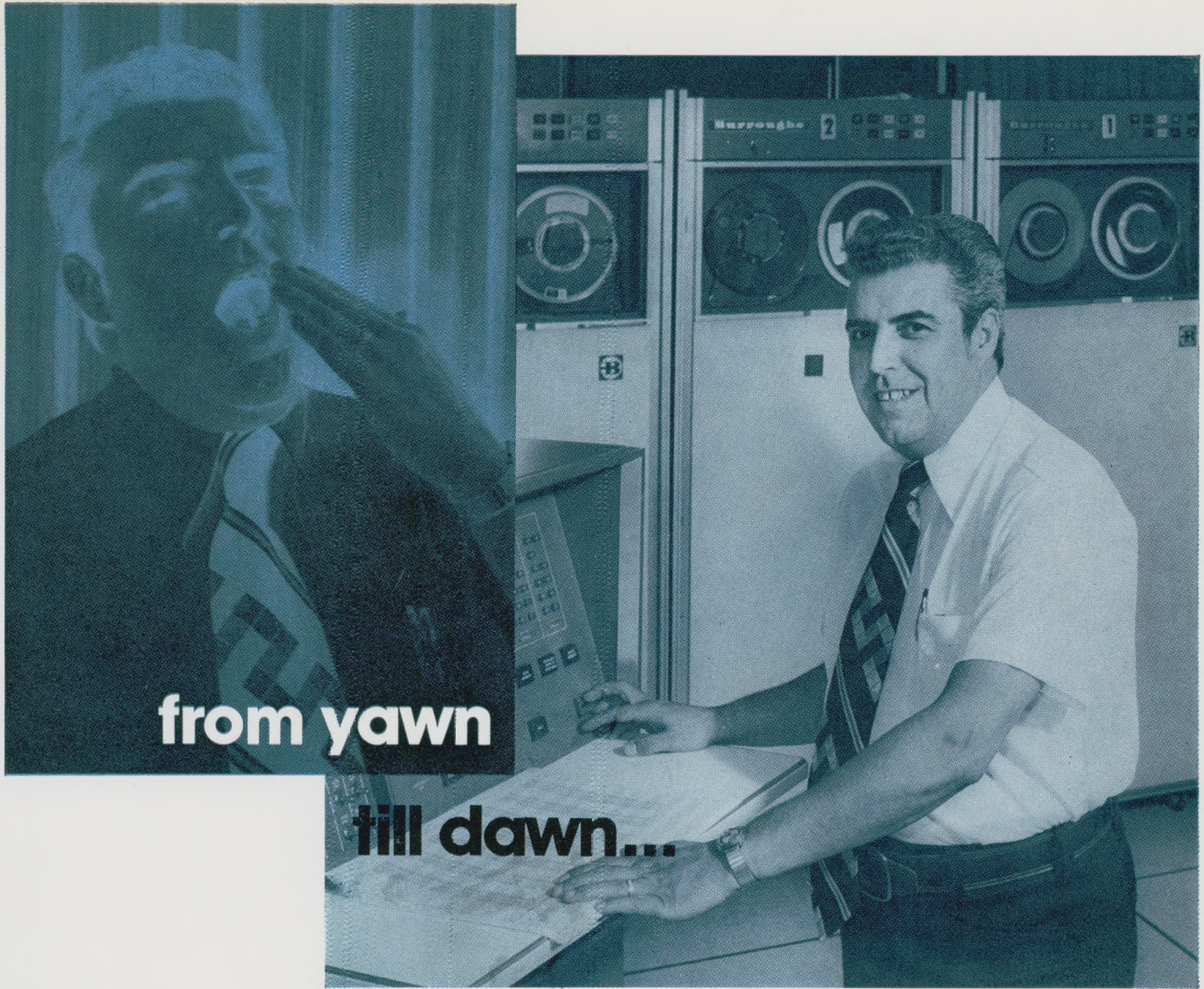
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