

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

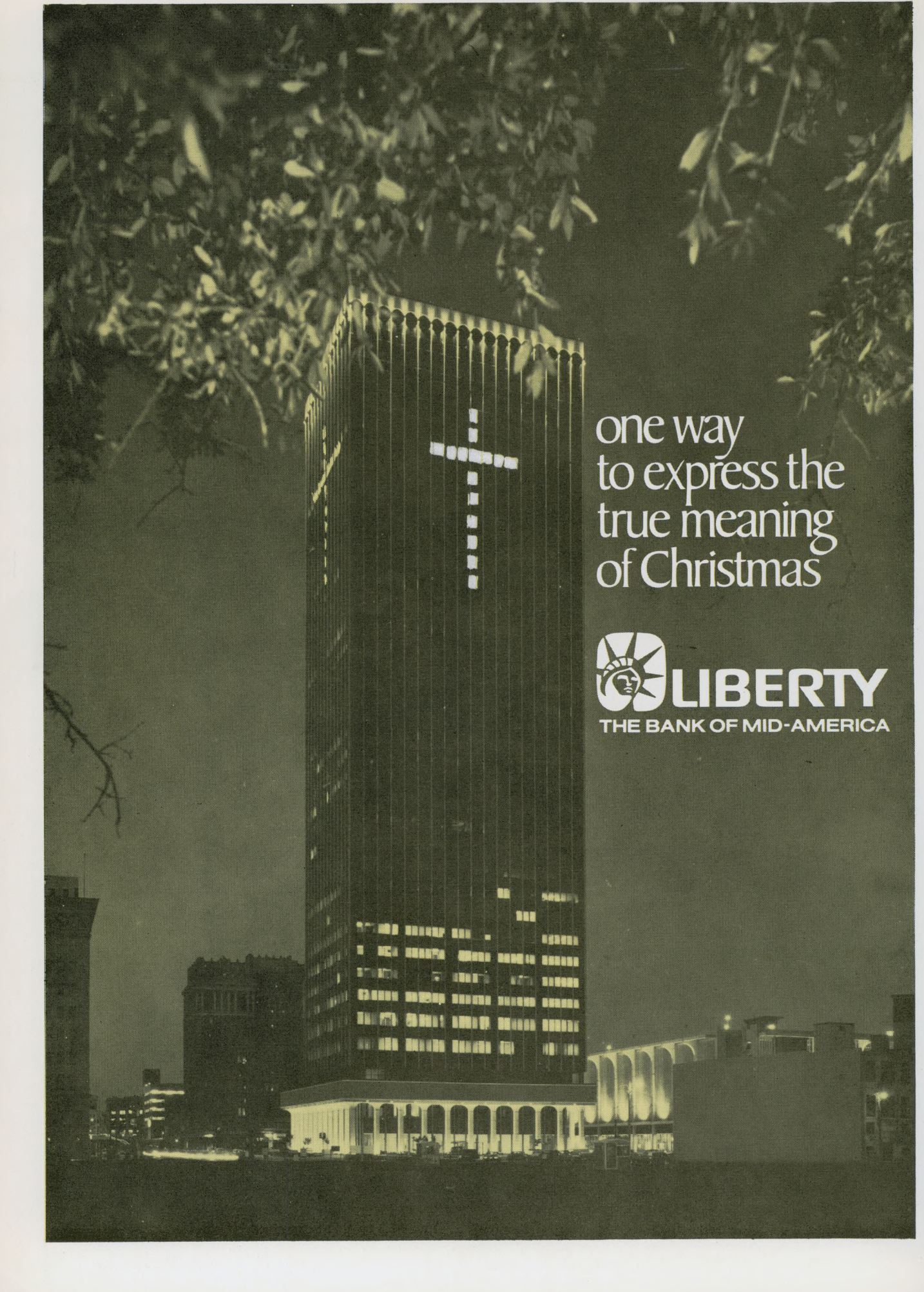
BANK MODERNIZATION ISSUE

DECEMBER, 1975

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EFT's Effect on Bank Modernization—Page 43



one way
to express the
true meaning
of Christmas



LIBERTY
THE BANK OF MID-AMERICA

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Convention Calendar

Volume 71, No. 13

December, 1975

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January

Jan. 11-14: Robert Morris Associates Financial Statement Analysis Workshop, Atlanta, Omni International.

Jan. 18-21: ABA Risk & Insurance Management in Banking Seminar, Reston, Va., Sheraton Inn.

February

Feb. 1-5: 24th Assembly for Bank Directors, Honolulu, Sheraton-Waikiki and Royal Hawaiian hotels.

Feb. 8-11: ABA National Trust Conference, Atlanta, Peachtree Plaza.

Feb. 8-20: ABA National Installment Credit School, Norman, Okla., University of Oklahoma.

Feb. 9-March 3: Kansas, Missouri and Nebraska Bankers Associations' Intermediate School of Banking, Lincoln, Neb., University of Nebraska.

Feb. 11-13: ABA Bank Investments Conference, New York City, Americana Hotel.

Feb. 15-20: ABA Community Bank CEO Program, Santa Barbara, Calif., Santa Barbara Biltmore.

Feb. 15-21: ABA Operations/Automation Division Business of Banking School, Fort Worth, American Airlines Learning Center.

Feb. 22-27: ABA National Personnel School, Bloomington, Minn., Radisson South.

Feb. 24-25: Robert Morris Associates Regional Workshop on Lending to Finance Companies, Chicago.

Feb. 25-27: ABA Construction Lending Workshop, Columbus, O., Ohio State University.

March

March 7-9: ABA National Credit Conference, Atlanta.

March 7-12: Kansas, Missouri and Nebraska Bankers Associations' School of Basic Banking, Lincoln, Neb., University of Nebraska.

March 14-17: Robert Morris Associates Financial Statement Analysis Workshop, Boston, Colonnade Hotel.

March 14-18: Independent Bankers Association of America Convention, Honolulu, Sheraton Waikiki Hotel.

March 21-24: ABA Trust Operations/Automation Workshop, New York City, Americana Hotel.

March 21-26: Kansas, Missouri and Nebraska Bankers Associations' Commercial Lending School, Lincoln, Neb., University of Nebraska.

March 30-April 9: ABA National Commercial Lending School, Norman, Okla., University of Oklahoma.

April

April 1-3: ABA Meeting With Comptroller of the Currency, Lincolnshire, Ill., Marriott's Lincolnshire Resort.

April 4-6: ABA Midwestern Regional Bank Card Conference, Cincinnati, Stouffer's Inn.

April 4-7: ABA National Installment Credit Conference, Miami Beach, Fla., Fontainebleau Hotel.

April 10-13: Association of Reserve City Bankers Annual Meeting, Palm Beach, Fla., the Breakers.

April 11-14: Robert Morris Associates Financial Statement Analysis Workshop, Denver, Cosmopolitan Hotel.

April 18-23: Robert Morris Associates Loan Management Seminar, Bloomington, Ind., Indiana University.

April 21-23: ABA Governing Council Meeting, White Sulphur Springs, W. Va., the Greenbrier.

April 25-27: ABA Southern Trust Conference, Pinehurst, N. C.

April 25-27: ABA Southern Regional Bank Card Conference, Richmond, Va., Richmond Hyatt House.

April 25-28: ABA National Conference on Real Estate Finance, Dallas, Fairmont Hotel.

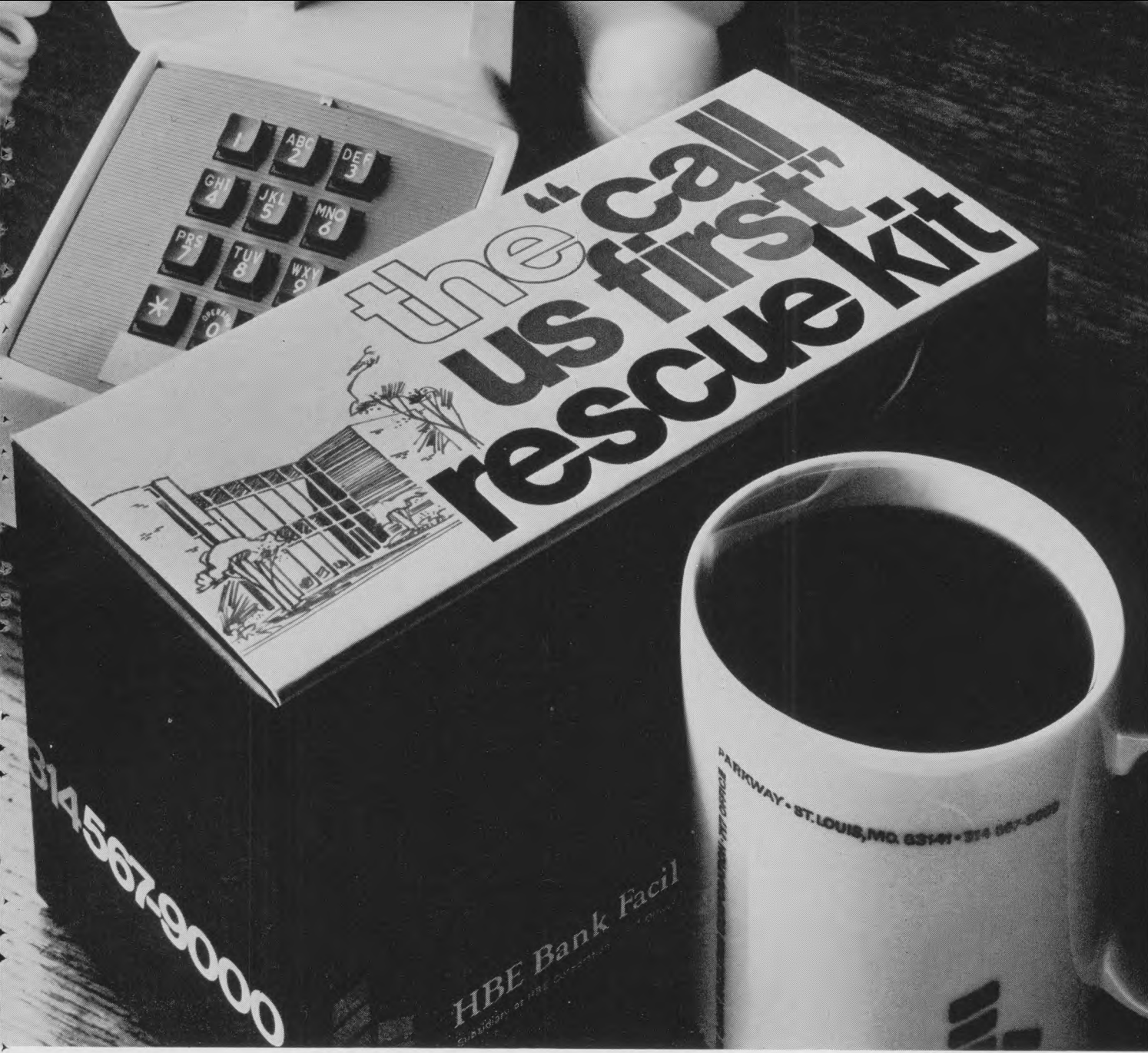
April 25-29: Bankers Association for Foreign Trade Annual Meeting, Hot Springs, Va., the Homestead.

April 25-30: ABA National Commercial Lending Graduate School, Norman, Okla., University of Oklahoma.

April 25-30: ABA Community Bank CEO Program, Palm Beach, Fla., La Coquille Club.

April 29-May 1: ABA Meeting With the Comptroller of the Currency, Buck Hill Falls, Pa., Buck Hill Inn & Golf Club.

MID-CONTINENT BANKER for December, 1975



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The Banking Scene

By Dr. Lewis E. Davids

Hill Professor of Bank Management,
University of Missouri, Columbia

We Need to Upgrade Examiner Training!

LAST SUMMER, only two state bank examiners, one a Missourian and one a North Carolinian, graduated from Stonier Graduate Banking School at Rutgers and the School of Banking of the South at LSU, respectively. Six awards currently are being offered by the Conference of State Bank Supervisors (CSBS) to upgrade the education of state examiners. It's been three years since the CSBS instituted the program, which has the objective of helping examiners prepare for assumption of additional duties and responsibilities in their banking departments.

This article is intended to call the attention of commercial bankers to this program and to suggest that they use their best efforts in its promotion.

The majority of bankers that have attended not only graduate schools of banking, but other banking schools, have had their tuition and, probably, their expenses paid by their banks. Although I have known a number of bank officers who attended such schools at their own expense, I find them to be in the distinct minority.

"The job tenure of bank examiners in some states typically is less than three years."

The existing funding and budgeting of most state departments of banking hasn't provided monies for upgrading the experience of their better bank examiners.

It's true the FDIC has cooperated in this area, especially in relation to the problems concerning bank examination involving computers, yet the FDIC's training period typically hasn't involved the three "years" that constitutes the graduate schools of banking.

While a number of our state banking departments are staffed with hard-working and dedicated individuals, the sad fact is that the salary structure of many of our state banking commissions is extremely poor, probably less than 60% of the salary scale paid by the FDIC or the Comptroller's Office. Needless to say, a state bank examiner of ability, who is receiving that size salary, is presented with more financially attractive alternatives, either in the form of a higher-paying federal examiner's position, or, more likely, in a commercial bank's auditing or comptroller's department. Many turn to bank-management positions. The job tenure of bank examiners in some states typically is less than three years.

From the commercial banker's point of view, there are definite advantages to hiring a former bank examiner. For several decades, I've recommended to my students that one of the best ways of moving into a managerial position in commercial banking is to have had experience as a bank examiner, either at the state or federal level.

The counter-productive aspect of this is that bank examiner training programs tend to concentrate on the lower levels. These programs don't, in most cases, include a staff of professionals who have in-depth training in their work.

Contrary to popular belief, the typical bank would like to have a more thorough and meaningful examination. Almost every banker with whom I have discussed this supports a higher salary structure and more professionalism in their state bank examination departments.

There are some real-world political reasons why such objectives often aren't achieved, one of them being that most state employees resent a step-up in salary of only one branch, such as the banking department. Nevertheless, sev-

eral state bankers associations currently, as they have in the past, support the higher salary structure for bank examiners in their states.

Speaking as a past faculty member of several of the advanced banking schools, I'd like to make some observations. Banking has been among the most enlightened professions in recognizing the need for periodic recycling in the educational background of its executives. What was taught 10, 20 or more years ago in the school certainly was good at that time, but the current stage of banking evolution calls for continuing short courses and the more structured education provided by our banking schools.

"The existing funding and budgeting of most state departments of banking haven't provided funds for upgrading the experience of their better bank examiners."

There was a time several years ago when a number of our banking schools weren't being utilized to their capacity, but few banking schools exist today that don't have backlogs of applicants. Thus in one sense, the suggestion that state bank examiners be encouraged to participate in such schools comes at a time when their facilities are being taxed severely, so the schools have no motivation to seek additional students. They recognize that a growth in the number of bank examiner-applicants would force them to restrict the admission of some commercial bankers.

For these reasons, it is desirable for leaders in banking education to consider the long-run implications. While the CSBS is to be congratulated for its



Art Krebs
Arkansas-Louisiana



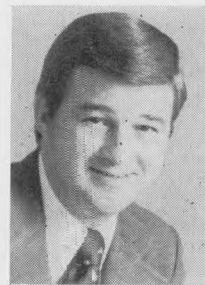
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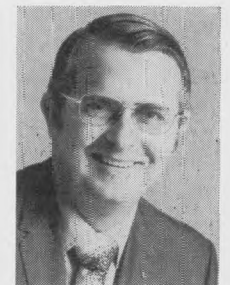
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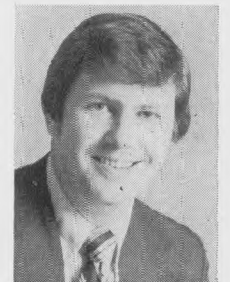
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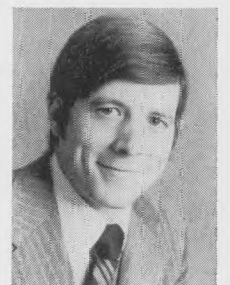
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funding of a few scholarships, it should be recognized that these account for less than a baker's dozen. Fewer than one-out-of-four state banking commissions have had the opportunity of having one of its examiners receive a scholarship. The good intent obviously is limited in its impact on the state banking commissions.

Some bankers will point out that the state conference supports a school for examiners and that it's a good facility for training bank examiners at the technical level of their examination work. However, the type of educational exposure given at the advanced banking

schools is quite different both in curriculum and in faculty composition.

Certainly, we want bank examiners to be trained professionally, but the advanced banking schools provide a breadth of exposure to not only the examination, but other types of problems with which banks are confronted. They also provide an excellent opportunity for students to have frank exchanges of problems affecting them, whether they are commercial bankers or bank supervisors.

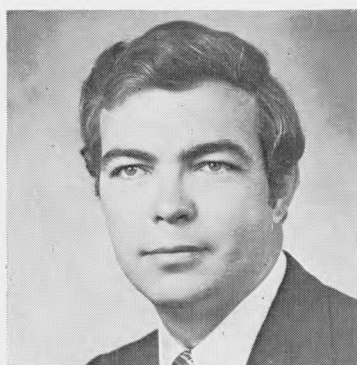
Too often, the examiner is considered the banker's adversary. He is the individual who "rings the bell." This often

is predicated on different ways of viewing a situation and from a lack of appreciation of the highly technical changes that occur in banking.

Is there a possible solution to the dilemma resulting from the limited financial resources of the CSBS? Can we professionally upgrade the advanced educational level of state bank examiners? A possible solution was contained in a letter by John F. Bohannon, senior state bank examiner of the North Carolina State Banking Department, a CSBS scholarship student who graduated from the School of Banking of the South at LSU. ". . . the education required at LSU results in a much improved banking background and a better understanding of the problems facing bank management. Such improved education and knowledge has to contribute significantly to improved bank examination and supervision. Education and training as provided at LSU and other graduate banking schools results in great benefit not only to the individual involved, but also for the department or agency by which he is employed. I am convinced that I now am able to do a better job for my department and, as a consequence, collateral benefits will accrue to the department. It seems appropriate to mention that the award received by me was a significant factor influencing state officials to provide funds for at least one other examiner from our department to attend a graduate school of banking."

Confucius reportedly said the longest journey begins with the first small step. The education of our superior state banking examiners will require more than a first step. Certainly, one or two examiners who are so educated would be of great help to each state examination department, but there are obvious limitations in what one or even a few such individuals could accomplish.

It is quite probable that your state legislature isn't supporting such programs or is even aware of the need for it, or of the support provided by the CSBS. You should be concerned with the professional education of the examiners that review your bank. One way of improving, not only the education, but the rapport between bankers and examiners, is by personally letting both your state bankers association and the appropriate legislative committee of your state know that you favor upgrading the qualifications of bank examiners through the provision of funds for their attendance in advanced banking schools. ••



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STRAIGHT ANSWERS TO SOME OFTEN ASKED QUESTIONS ABOUT DIRECTORS AND OFFICERS LIABILITY INSURANCE, FROM SCARBOROUGH.

DO BANKERS REALLY NEED D&O?

Yes. Bankers are professional men, subject to the same degree of error and omission as lawyers and doctors and they need the same type of protection. In fact, considering today's legal climate, it's difficult to find a reason not to protect the banker's name and financial position with D&O.

IS IT EXPENSIVE?

No, especially when compared to possible court costs, awards and damages. D&O provides a known and budgetable expense in lieu of unknown and potentially catastrophic losses.

WHAT IS THE ACTUAL COST?

That depends on deposit size, number of directors and

officers, "track record" of the bank, etc. However, a well-run bank with deposits of \$10 to \$100 million can expect to pay between \$100 and \$200 annually per individual director and officer for \$1,000,000 coverage. Also, unlike other types of individual insurance coverages, the premium on D&O is fully tax deductible.

IS D&O AVAILABLE UNDER OTHER INSURANCE FORMS?

No, although some blanket bonds do provide a limited type of coverage in small amounts.

ARE ALL D&O POLICIES THE SAME?

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essentially the same basic protection. We invite comparison of our policy and we do so with confidence.

WHY CONSIDER SCARBOROUGH FOR D&O?

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NEWS OF THE BANKING WORLD

• **A. Robert Abboud** has been named chairman and chief executive at First Chicago Corp. and at its subsidiary, First National, Chicago, succeeding Gaylord Freeman. Mr. Freeman has become honorary chairman and continues as a director and executive committee member. Mr. Abboud began his banking career with First National in 1958 and was named deputy chairman of the bank and HC in 1974. Mr. Freeman has been in banking 40 years.



FREEMAN



ABBOUD

• **Frank Wille**, FDIC chairman, will leave the FDIC after his term expires in March. He entered public service in 1960 as assistant counsel to the New York state governor and was named first assistant counsel, 1962. In 1964, he was



ELLISON



WILLE

appointed superintendent of banks for New York, the post he held when he was elected FDIC chairman, 1970.

• **June Darby Ellison**, advertising and public relations officer, marketing department, Mercantile Bancorp., Inc., St. Louis, has been named advertising woman of the year by the American Advertising Federation, Ninth District. She was named ad woman of the year last year by the Advertising Women of St. Louis, Inc. Mrs. Ellison joined Mercantile Bank, St. Louis, in 1957. She is immediate past Midwest regional vice president, National Association of Bank-Women, Inc.

• **J. Carter Bacot**, president, Bank of New York, has been elected vice chairman, Bank of New York Co., parent HC for the bank. In his new post, Mr. Bacot will oversee all trust and investment work of the HC's subsidiary banks and will continue as Bank of New York president. He joined the bank in 1960, rose through the ranks and was named president, 1974.

William B. Camp Dies

William B. Camp, 61, former Comptroller of the Currency, died November 14 of a heart attack. Mr. Camp was appointed Comptroller, 1966, serving until poor health forced his 1973 retirement. He joined the staff of the Comptroller's office, 1937, was named ass't nat'l bank examiner, 1949, rose through the ranks and was appointed First Deputy Comptroller, 1963.



• **Russell W. Meyer Jr.**, chairman and CEO, Cessna Aircraft Co., has been named a director, Fourth Financial Corp., and its principal subsidiary, Fourth National, both in Wichita.



MEYER



HAEGER

• **Phyllis M. Haeger** has been named executive vice president, National Association of Bank-Women, Inc. She has been serving as executive director, or chief staff officer, of the organization for the past six years. Miss Haeger also is secretary, NABW Educational Foundation, and executive vice president and senior managing partner, Smith, Bucklin & Associates, Inc., Chicago, an association management firm that serves as NABW headquarters.

• **Robert J. Herrmann**, deputy regional administrator of national banks, Region Seven (Chicago), has been named by the Comptroller of the Currency as director, domestic group, office of the deputy comptroller for banking operations, Washington Office. The Comptroller also has appointed Bonnie E. Yates, a Region Seven national bank examiner, to succeed Mr. Herrmann. Mr. Herrmann joined the Comptroller's Office in 1962 as an assistant national bank examiner. Prior to that, he was with Merchants National, Chicago. Before joining the Comptroller's Office in 1963, Mr. Yates was with National Bank of Detroit.

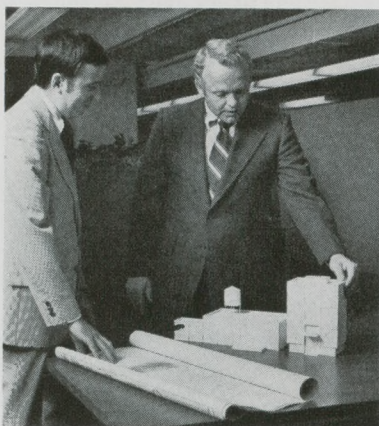
• **Harry N. Schweppe Jr.**, vice president, bond/investment department, Mercantile Trust, St. Louis, has been elected chairman, Midwestern District, Securities Industry Association. That district encompasses investment banking firms in Missouri, Kansas, Oklahoma and Arkansas, setting up industry standards and practices. In addition, H. R. Hollister, senior vice president, United Missouri of Kansas City, has been named to the executive committee.

STILL TIME TO REGISTER FOR THE DIRECTORS' ASSEMBLY IN HAWAII

Two hotels are at our disposal for the 24th Assembly for Bank Directors in Honolulu, February 1-5, 1976: The Sheraton-Waikiki and the Royal Hawaiian, which are next door to one another. Because the trip is a long one, we've added a day to the Assembly and increased the faculty to forty to serve a larger than normal registration.

Registrations will be accepted through the Christmas Holidays. Call Dallas 214/691-5398 or write **The Foundation of the Southwestern Graduate School of Banking**, SMU Box 1319, Dallas, Texas 75275.

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Look Out, Mr. Barnum:

'Royal Lichtenstein Circus' Entertains Bank Customers

The Royal Lichtenstein ¼-Ring Sidewalk Circus, billed as "the world's smallest circus," has given four performances, sponsored by First National, Little Rock.

The traveling show presented three half-hour performances on the bank's sidewalk, while a fourth was held at the Little Rock Easter Seal Rehabilitation Center.

The Reverend Nick Weber, a 35-year-old Jesuit priest, is the producer and principal attraction of the show, which is based in Santa Clara, Calif. The circus travels to more than 100 cities from August through May. Father Weber and two student assistants have a show that includes fire-eating, magic, slapstick and small-animal acts featuring a monkey, a pony, a dog and

With crowd as his captive, performer in Royal Lichtenstein ¼-Ring Circus puts on show in front of First Nat'l, Little Rock. Total of four performances were held, three at bank and one at Little Rock Easter Seal Rehabilitation Center. Bank says appearances had higher attendance than expected, has had many requests for circus' return in future.

a bear.

First National distributed popcorn and balloons during each performance.

What success did the bank have with the four performances? A First National official says each show had capacity crowds, with many classes from schools and kindergartens in attendance. The official termed it a "warm and rewarding experience for the bank, with many more people attending than had been expected. We had to reorder popcorn and balloons by the time the second performance was under way.

"We've already had many requests for a repeat performance next year if the troupe's schedule allows," the spokesman added.

Postal Help:

Auto Tags by Mail, Pies Introduce Public to Bank

When Baton Rouge Bank opened its first branch in 1970, it used a novel approach to the direct-mail technique of advertising the event.

Enlisting the aid of the Independent Postal System of America, an initial mailing of forms was sent to neighbors of the branch, allowing automobile owners to apply for new license plates by mail. A second postal distribution provided a certificate granting one year's free checking to anyone opening

a bank account within 30 days of the opening.

Those two offers reportedly were received quite well, so about two months later another direct-mail program offered a free cherry pie from a local bakery to those opening new accounts during that month. The customer would get a card at the bank, entitling him to exchange it for the free pie at the bakery.

How well did the program work? A bank spokesman points out that the objective was to develop a rapport with families in the area, which was accomplished, resulting in the great success of the event.

The Way We Were:

1930s Bank Re-Creation Is Bicentennial Theme

A knicker-clad newspaper boy stood at the door of National Bank of Detroit, handing out copies of newspapers from March 24, 1933, the day NBD opened its doors. The handouts were an invitation for visitors to step into the past and take a look at the way things were in the '30s.

NBD had re-created a 1930s bank filled with memorabilia from Michigan's banking past as the first of the bank's bicentennial activities.

The full-size bank contained a teller cage, office equipment and furniture from the '30s, a 14-foot-high columned doorway and deposit tickets reminis-



cent of an old bank. Visitors received replicas of the Pine Tree Shilling, the first coin struck in colonial America, while news clippings, pictures, a Detroit bank history chart and a seven-minute film traced the story of money, banks and bankers figuring in the state's past.

The Detroit Historical Museum and many Detroit residents cooperated in the development of the exhibit.

Growth Party:

Bank Holds Open House; Celebrates Asset Rise

What would you do if your bank's assets had grown to more than \$100 million? Lakewood Bank, Dallas, held a week-long open house.

Plans for the affair called for free refreshments and a drawing for prizes including a color TV, a man's Hart, Schaffner & Marx suit, kitchen appliances, sports equipment, luggage, a camera and other gift items.



Travel the quiet roads of Rustic Americana.

Perhaps long ago, a legend of history strode this very scene.

Perhaps.

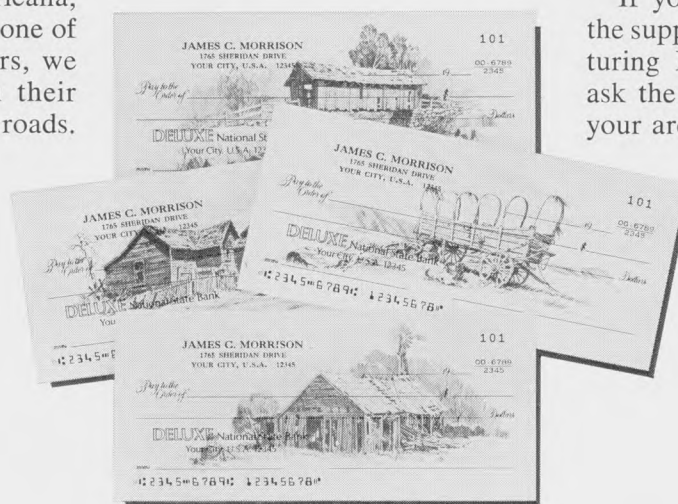
But more likely, those inhabitants of Rustic Americana were, in truth, the silent heroes upon whom our heritage was nurtured. Not the framers of the Constitution, but those it served. Not presidents, but electors. And in Rustic Americana, through the skilled hand of one of California's fine illustrators, we travel in companion with their memory, down those quiet roads.

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Community Involvement

Employee Boon:

First National, St. Louis, Sponsors Civic Series

First National, St. Louis, in cooperation with the Coro Foundation, a non-profit, nonpartisan organization engaged in various public affairs training programs, has sponsored a two-week civic and political education series for bank employees.

The program, which accommodated 40 volunteer employees, also provided an opportunity for participants to learn the workings of civic organizations and the American political process, first hand.



St. Louis Mayor John Poelker (2nd from l.) was informal speaker at luncheon given by First Nat'l, St. Louis, at which employees completing civic and political education program received certificates. Congratulating employee is Jefferson Miller (2nd from r.), bank s.v.p.

Bank employees were divided into three groups, which met with St. Louis-area elected officials and civic leaders. Staffers learned what prompted them to seek public office or accept leadership roles in nonpolitical offices, the difficulties of being a candidate and what their role is in carrying out the responsibilities of office.

"This is an unusual opportunity for our employees to gain an insight into the workings of civic organizations and government and to learn how to participate in their local governmental affairs, should they be so interested," said Clarence C. Barksdale, First National's president and CEO.

Luncheon Fare:

BofA Staff, Neighbors See Noon-Hour Programs

Bank of America, San Francisco, has been hosting a continuing series of noon-hour cultural events in its A. P. Giannini auditorium.

The programs, which feature every-

thing from jazz concerts to a series on art as an investment, are open to employees and neighbors of the bank.

Maggie Williams, program administrator, staff planning and development department, directs all operations involved in the programs. She auditions acts and presentations and makes sure all the details—such as untuned pianos, out-of-place podiums, etc.—are put in order. Some of the more unusual programs she's brought to the bank included a quick lesson in transcendental meditation, a natural foods cooking lesson, a concert on raga music, a course on physical fitness and a Carole Lombard film festival.

How did it all begin? Miss Williams says the bank once presented Sir Kenneth Clarke's "Civilisation" series as part of its management development program, and the response was so popular that more programs were offered.

How popular is the series? According to Miss Williams, the 210-seat auditorium often is SRO.

Apple for the Teacher:

Bank-Sponsored Competition Awards Creative Educators

Liberty National, Oklahoma City, has awarded over \$1,800 in cash and stock to winners of the "Dollars for Oklahoma School Teachers" competition, which is put on by the Oklahoma Council for Economic Education.

Liberty's first-place award of \$1,000 went to two fifth-grade teachers for their entry, "Toyland, Inc." Runners-



Willis J. Wheat, s.v.p.-mktg., Liberty Nat'l, Oklahoma City, congratulates Rosa Friedeman (l.) and Peggy Mittasch, winners of \$1,000 first prize in "Creativity in Economic Education" competition. The two 5th-grade teachers took part in yearly event, which is co-sponsored by bank and local businesses to promote free-enterprise system.

up received five shares of stock in the HC affiliate, Liberty National Corp., Oklahoma City.

The competition was originated by the bank in conjunction with its "Let's Talk Business" program, a mass-media public relations campaign that combats misconceptions about business and the free-enterprise system. The Oklahoma Council for Economic Education broadened and renamed the competition, thus allowing for further sponsorship of awards from all sectors of the business community.

Second Chance:

Bank's Tennis Tournament Held for Non-Winners

It's been said that everyone loves a winner, but most people have a soft spot for the underdogs, too.

It must have been with that idea in mind that Heritage/Standard Bank, Evergreen Park, Ill., in conjunction with the local Economist newspapers, held the Economist Heritage/Standard Bank Tennis Tournament for area residents who'd never won a major match.



William J. F. Rus (r.), v.p., Heritage/Standard Bank, Evergreen Park, Ill., and Ethel Young (l.) of Comark Advertising, Inc., Evergreen Park, ad agency for the bank, present Bob and Joan Schultz first place trophies for mixed doubles division of Economist Heritage/Standard Bank Tennis Tournament. Bank, newspaper chain co-sponsored tourney for local players that had never won major match.

The bank donated 24 trophies, which were awarded to first- and second-place winners in each category. Over 600 players were entered in the competition.

Bank officials report that response was so great, Heritage/Standard will conduct the tournament next year, again donating the winners' trophies.

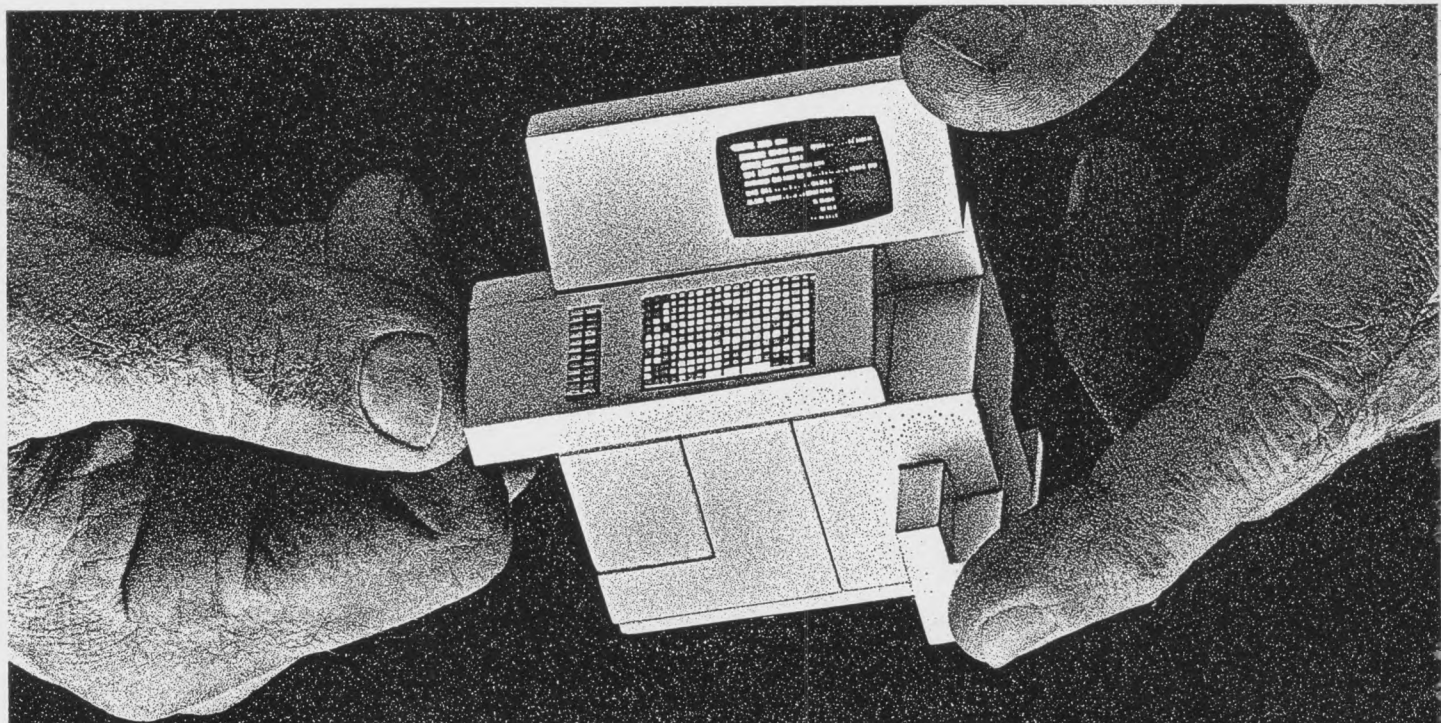
Mississippi A Great Place To Live

A friendly smile is still a familiar sight to see in Mississippi. And with good reason. The people of Mississippi have plenty to smile about. They're proud of their State's natural beauty and abundant resources like timber, minerals and clean water. They know the best is yet to come for Mississippi and its people. 🌳 And the people at First National Bank stand ready to help Mississippi reach its potential. 🌳 After all, First National has been helping Mississippians put money to work in their State since 1889. 🌳 We think Mississippi is a great place to live. If you want to find out more about Mississippi, its people and its resources, First National is the best place to get the story.



 **First National Bank**
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BRANCHES: Amite County Bank, Gloster/Liberty;
Commercial National Bank, Greenville/Leland; First National Bank, McComb;
The Bank of Greenwood, Greenwood; Tylertown Bank, Tylertown



The On-Line Dilemma.

With the investment you've already made in automation, can you afford to go on-line? With EFT, off-premise tellers and at-home banking on the horizon, can you afford not to?

Here's how First Chicago Data Corporation is helping banks, \$20 million to \$250 million in size, go on-line without going haywire.

Your bank is growing along just fine; then the competition jumps a mile out ahead and you're suddenly drowning in a tidal wave of withdrawals.

You're not the only banker having this nightmare. The current rash of news about electronic banking marvels of the near future is causing restless nights for a great many in your profession.

And here's the puzzling dilemma. With the money you've spent automating by yourself or through a data processing servicer, how can you justify changing over to an on-line set up? And if you find a way to justify it, how can you be sure it will be right for the future?

BASIS[®] EDP. Making on-line make sense.

That's where First Chicago Data comes in. It's a newly formed subsidiary of The First National Bank of Chicago; made possible through an acquisition of a computer operation of a Chicago-land retail banking group.

Since 1968, they have been implementing a complete and integrated on-line system for banks called BASIS[®] EDP.

While the majority of banks are located in the Chicago area, 12 of them are located in Minnesota. They are served by our unique Regional Information Processing Center whose success effectively extends our ability to

provide on-line service to all four corners of the continental U.S.A.

But what's most impressed us about the system is not its success or inventiveness, but its productivity. A grassroots kind of productivity that makes sophisticated on-line technology affordable, that simplifies rather than complicates communication, and most importantly, provides any bank with an on-line information base enabling it to respond competitively in any direction electronic banking decides to move.

Central information file

All customer information is gathered on computer disc files and each customer's account information is in-

The On-Line Dilemma. (cont.)

terrelated. Inquiry, file search, updating, data collection and calculating are performed by the computer; your staff having input and output access through voice or visual response terminals. *This system automates virtually every accounting service in your bank.*

Terminal flexibility

The majority of BASIS EDP functions can be initiated and completed over a 12-button Touch-Tone telephone; the computer responding by voice. This means you can have an interactive computer terminal where needed at the lowest possible cost. In situations where voice response takes too long, or hard-copy is needed, visual display screens or teletypewriter-like terminals are provided. And a printed log is kept of all these transactions including voice.

BASIS EDP also offers many outstanding day-to-day operational advantages. One common name and address file for all banking systems. Automatic funds transfer. Automatic reorder of MICR documents. Detailed overdraft notices to make pay/return decisions easier. Plus over 100 on-line functions that handle everything from account opening to account closing.

BASIS® EDP Applications

1. Demand Deposit
2. Savings
3. Certificates of Deposit
4. Consumer Loans
5. Check Credit
6. Mortgage Loans
7. Commercial Loans
8. General Ledger
9. Single-Pocket Proof and Transit
10. Safe Deposit Billing and Inventory
11. Payroll
12. Fixed Asset Accounting
13. Bond Portfolio
14. Personnel/Profit Sharing
15. Check Reconciliation
16. Marketing Information and Management Reports

BASIS® EDP.

Making on-line affordable.

While many flexibilities have been built in, BASIS EDP is designed as a "one best system" in order to maximize economies.

Combined statement

All customer activity is reported

to the customer once a month on one piece of paper. This eliminates the expense of multiple mailings. Our combined statement is also set up so that selective, cross-selling messages can be printed right on the form.

Reduced paper costs

Since so much information is gathered and available on-line, printing costs are cut to the bone. We also provide computer output on microfilm that delivers customer records on microfiche for economical storage on-or-off-premise. Signature cards are also duplicated on low-cost microfiche; so sets can be made available at multiple locations with fast reference provided through the computer.

Stabilized unit cost

The unit cost of BASIS EDP services over the last 6 years has only increased about 4½ percent. And you probably cannot point to any other banking service that has held its cost-line so well in that period.

BASIS® EDP.

Sharpening your competitive edge for tomorrow.

BASIS EDP systems are designed today to serve as a foundation on which tomorrow will be built.

We have already conducted successful pilot operations with off-premise tellers, automatic teller machines, and other magnetically-encoded card reading telephone terminals, including transaction telephones.

With the advent of proofmachines that record MICR data on cassettes, banks on our system will be able to transmit activity directly from cassettes to our computer, eliminating the need to move documents daily to the computer center by surface transportation.

Banking at home?

Many BASIS EDP functions can be performed over a Touch-Tone telephone. If bank employees can do them at various work stations, why not

bank customers from their homes, offices, plants, shopping centers, or merchant locations?

The system is already capable of handling direct customer inquiries. Using a simple security code, selected customers can get their checking or savings account balance by phoning our voice-response computer. Once inquiry is mastered, customers can transfer funds from one account to another, make loan payments, or even activate a personal line of credit directly over the telephone.

In the future, arrangements could be made for the customer to pay utilities, doctors, or merchants directly through the computer without having to write or mail a check.

Imagine what would happen to your growth if you were the first bank in your area to offer these kinds of services.

For more information on how and when BASIS EDP can make going on-line practical for your bank, contact your correspondent banker at The First National Bank of Chicago or contact First Chicago Data Corporation directly. Call Tom Markle or Copeland Schmidt at (312) 881-2327.

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The First National Bank of Chicago



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NEWS ROUNDUP

News From Around the Nation

Wille Wants New Bank Board

Creation of a federal banking board, consisting of the Comptroller of the Currency, a Fed governor, two presidential appointees and a new Federal Supervisor of State Banks, has been proposed by FDIC Chairman Frank Wille.

Mr. Wille said that such a board would eliminate a possible conflict of interest now facing the Fed, which, under current banking regulations, is allowed to set monetary policy goals and, at the same time, supervise state and national banks.

This dual responsibility presents a "temptation or threat" to the Fed to reward or punish banks depending on how they cooperate with the Fed's latest monetary policy goals, according to Mr. Wille.

"The removal of the Federal Reserve Board from day-to-day decision-making in banking regulation and supervision is overdue," Mr. Wille said. He added that the nation's banks would be better regulated by a Federal Banking Board created by Congress to oversee the banking industry.

Under his plan, bank examination and supervisory powers now vested in the Fed and the FDIC would be combined in a new office, headed by the Federal Supervisor of State Banks. The new supervisor and the Comptroller would then conduct necessary investigations and examinations of various banks and report their findings to the Federal Banking Board, which would assume all costs of examinations.

Mr. Wille's plan also calls for abolition of the FDIC.

HC Act Evaders Threatened

The Fed has asked the Justice Department to prosecute HCs guilty of willful intent to evade the Bank Holding Company Act by making unapproved acquisitions.

The Fed said it is concerned that violations are continuing to occur, either because HCs have failed to take steps to inform themselves of their legal obligations or because they do not believe that the law will be enforced.

According to the Fed, HCs have been violating the HC Act by not obtaining regulatory permission before buying existing firms.

Violations have been termed "infrequent but significant" by the Fed. Companies caught with illegal subsidiaries could face denials on management grounds when they seek to legitimize the property, it said. "Such conduct will be considered to reflect adversely on the managerial factors" in an application and "may in and of itself constitute ground for denial of such an application."

Bank Wants Out of HC

A class-action suit has been filed by seven directors of Hamilton First American Bank, Memphis, on behalf of 600 shareholders who are seeking to rescind the bank's merger with Hamilton Bancshares, Inc., Chattanooga, last year.

The suit contends that the HC did not disclose its true financial condition to shareholders of First American prior to the June, 1974, merger.

Seventeen HC officers, directors and former directors were named as defendants in the suit that reportedly seeks \$14 million in damages. The defendants are accused of omitting material facts in proxy and financial statements, in violation of section 2 of the Securities Exchange Act and terms of the merger.

The suit also seeks to enjoin the HC from selling the bank, which is said to be imminent due to heavy losses suffered by the HC through real estate lending activities of its mortgage subsidiary.

Interest OKd for T&L Accounts

A House banking subcommittee has voted to let the Treasury collect interest on federal T&L accounts at banks. It also has voted to permit S&Ls to become fed fund depositories for the first time.

The measure passed because the Treasury Department no longer opposes the move. Formerly, Treasury argued that banks should have the funds interest-free to compensate them for selling U. S. savings bonds, cashing government checks and performing other services for the government.

Fed tax funds on deposit at banks have averaged as much as \$5 billion in recent years.

The Treasury has taken no position on depositing of fed funds in S&Ls.

Auto Leasing Comment Asked

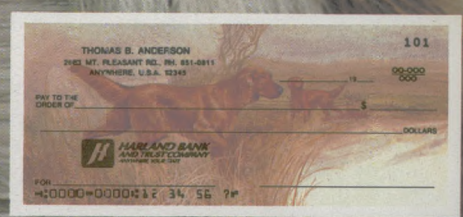
The Fed has asked for comment on whether HCs should be permitted to continue in the auto leasing business. Comments are solicited until December 22.

The comment is being requested as the result of a suit by the National Automobile Dealers Association that asks for judicial review of a Fed regulation permitting HCs to engage in personal property leasing where leases are on a full-payout basis and served as the functional equivalent to an extension of credit.

The Wild Ones.



The all new American Sportsman checks from Harland.



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Ag Lenders Should Provide Customers With Financial Benchmarks for Profit

By **CARL J. HEINISCH**
Vice President
DeKalb (Ill.) Bank

TODAY'S agricultural lender doesn't just sit behind a desk providing checking accounts and loans. He now must be concerned not only with his own needs, but with those of the farm customer, providing him with financial benchmarks necessary to the formulation of profitable decisions.

Agriculture continually changes. Farmers always are asking, "Do I or do I not adapt to new technology?"

The farmer who doesn't adapt runs the risk of being noncompetitive with his neighbors—they can outbid him for local resources: land, labor and capital. He may be less efficient and may limit potential growth.

If the farmer adapts, he is confronted with new costs, uncertainty of future returns and the need to expand his base of operations in order to hold down fixed costs.

Technological advances in the past emphasized new and better production techniques, something that still plays an important part in farming. But the new volatility of our market has changed the emphasis to marketing.

We, as agricultural lenders and bankers, have an excellent opportunity to provide increased strength and vitality to the agricultural segment of the economy. At DeKalb Bank, our appreciation of this philosophy led us to take steps to develop a marketing program.

The first step in the program is to get the total financial picture, and the second is to develop a financial plan. (We work with our farmers, helping them learn the proper use of the tools of financial planning.)

A good set of records is essential when trying to ascertain a marketing profit. In our community, there are many good systems available and we insist that our farmers use them.

Cash flows are an important part of the total financial picture, indicating the when, the how and amounts of money moving "in" and "out" of the

picture. They are valuable in establishing credit lines and they indicate not only an operator's credit needs, but when they will occur.

Most of our operators are skilled and experienced at determining the expense portion, but the income section, because of our gyrating markets, has become anybody's guess.

A market plan should:

- Generate better than average prices.
- Provide a skeletal framework on which to hang changes in the marketplace.
- Reduce decision-making during periods of stress.
- Be able to anticipate the market and not just react to it.
- Lend support to other plans in the cash flow.

No two operations are alike. The banker must get to know the operators on an individual, personal basis.

The banker must know their individual strong points and limitations. For many, the farmer is the "nuts and bolts" of production, while the latter is the records and use of the financial tools that aid in profitable decision making.

The teaching role of the lender has become increasingly important in respect to the proper use of records, balance sheets, cash flow, profit-and-loss statements and in developing a market plan.

How can you attain those skills? Learn the cyclic trends and patterns of the livestock and grain commodities and their interrelationships. Use the market information services, weekly market letters, charting services and knowledgeable commodity brokers, several of whom you should get to know.

Use futures markets to expand and enhance a farmer's marketing plan. Using the futures in a hedging program certainly isn't the answer for everyone, though, because hedging doesn't make a good loan out of a bad one, and a farmer who doesn't have the "big picture" in focus with records, cash flows, profit-and-loss statements and balance sheets has no business using the futures.

For those using the futures, we are involved in their financial picture. We

know they know their costs of production. We're taking assignments of their hedge accounts and are informed of their positions and when they're lifted, we're consulted.

Additionally, I've made a concerted effort to get to know their brokers and their philosophy, and they know mine.

Profits in hedge accounts can bring overconfidence. This requires discipline, because you might say, "If I should lift my hedge, then going long a couple of contracts would be even better." Not necessarily so! Futures-market activity should complement production.

If a farmer wants to speculate and is of such financial means that he is able, then his speculative account and money shouldn't be confused or mixed with his hedge accounts. Needless to say, if he can't afford to speculate and does, I won't lend him any more money.

This is what constitutes the DeKalb Bank "Ag-Pak":

- Computerized record keeping.
- Financial management.
- Marketing informational services.
- Tax assistance.
- Estate planning and intergenerational transfer of assets.

In addition, our computerized records system gives monthly and year-to-date reports; quarterly enterprise analysis; depreciation schedules; profit-and-loss statements and actual cash flow.

We sit down with the farmer, helping him complete his own balance sheets, cash flows and profit-and-loss statements. If this is to be successful, it must be meaningful to him first.

We complete cash-flow comparisons quarterly and semiannually, a process made relatively simple with copies of the computer records.

To enhance our expertise and that of our customers, we provide five market informational meetings yearly: tours, speakers and educational sessions to develop familiarity with the markets. We subscribe to and make available to our customers marketing information services and newsletters. We keep charts on commodities, send out market notices as market action dictates and have a telephone service, which farmers can use any time. If farmers should know of something urgent in the marketplace, I call them.

Armed with the year-to-date record-keeping system, we bring in a tax consultant who works with producers individually in helping determine net taxable income.

As far as estate planning and intergenerational transfer of assets are concerned, we sit down with a whole family, bringing in outside consultants, when needed, to help plot the best course. • •

This article is excerpted from *The Banker and Hedging*, a publication of the Chicago Mercantile Exchange.

How our bank can help your bank grow with your farmers and ranchers.

The world's appetite for food and fiber is getting bigger all the time. So today's demands for agricultural financing may be more than you can handle with available funds.

First National Bank in St. Louis is ready to help you and your customers.

With funds for operating and production loans, machinery and equipment loans. With leasing plans and exporting assistance.

Even investment and estate planning to help them conserve their assets.

You'll find us easy to work with, and we're staffed to respond quickly. Our Agricultural Department is headed by Neil Bergenthal, Vice-President, who has 20 years of farm credit experience in agribusiness and the U.S. Farm Credit Administration.

Call Neil at (314) 342-6695. And send for our new brochure, "The Changed Nature of Agricultural Financing."

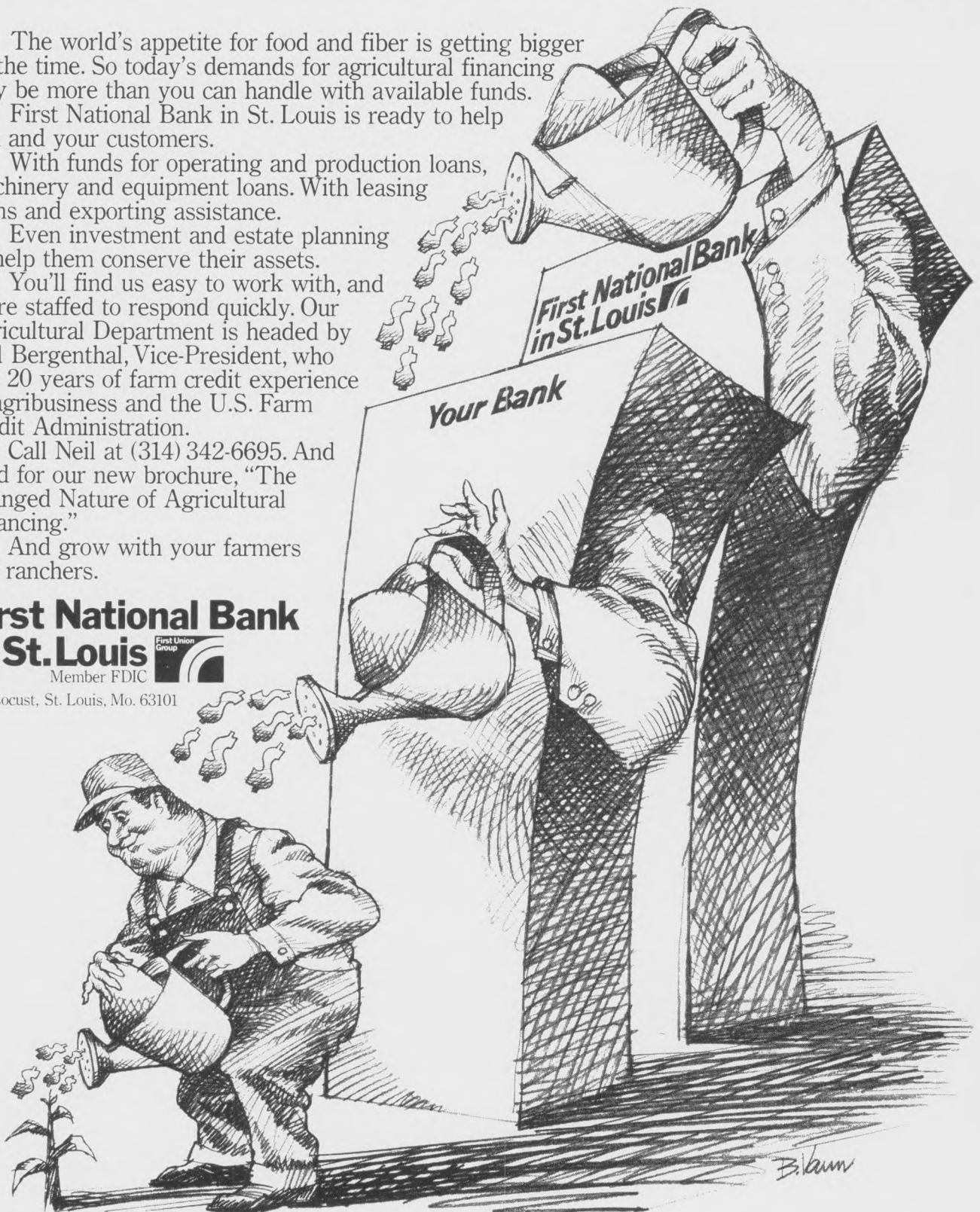
And grow with your farmers and ranchers.

**First National Bank
in St. Louis**

Member FDIC



510 Locust, St. Louis, Mo. 63101



Commercial Lending

Banks and Borrowers Can Be Helped By Commercial Finance Companies

By **RUSSELL B. DONAHUE***
President
Business Finance Division
James Talcott, Inc.

COMMERCIAL finance companies have been playing a major role in financing U. S. businessmen for over 150 years. At the same time, these firms have been performing an important job for banking, not by taking business away, but by acting as a partner in a variety of financing situations that proved effective for the bank, the commercial lender and the borrower.



Last year alone, my firm financed over 500 businesses to the tune of \$350,000,000—and nearly 50% of the transactions involved banks.

Understanding commercial finance companies' role in the lending structure is important in any economic climate. In today's unpredictable situation, it's crucial. At the very least, it can point the way to expanded lending opportunities. In some cases, it means the difference between a company's success or failure.

Why do banks and commercial finance companies work together?

On the surface, it would seem that banks and commercial finance companies should be hotly competitive. After all, they're both essentially in the same business, seek out similar clients and offer a comparable range of services. However, most banks and commercial finance companies are not only non-competitive, but enjoy a unique relationship that can be described best as complementary.

Banks go to commercial finance companies when they wish to retain or generate an income-producing relationship with a client or prospect who is not "wholly bankable." The borrower may have financing needs that exceed the bank's legal limits or require assistance

* Mr. Donahue also is executive vice president of James Talcott and a member of its board.

the bank is unable to supply.

Whatever the reason, major commercial finance companies usually can help. They can take the borrower on a referral basis or enter into a variety of participation loans. In either arrangement, the bank is able to provide a service and avoids rejecting the borrower without an option. This allows the bank to continue its relationship with the borrower who may well return to full bank financing in the future.

Commercial finance companies' ability to say "yes" to borrowers that banks consider problems does not mean that they're high-risk lenders. Commercial finance companies do say "yes" to many borrowers who cannot operate effectively with banks, but they're about as interested in taking on a bad loan as a bank. Like any lender, they are most impressed with a good track record and growth potential.

The way commercial finance companies turn risks into viable loans has a lot to do with the way they view prospective clients and manage their loans. Expertise in collateral analysis and account administration is their strongest selling point. In almost all instances, they administer the loan whether or not funding is required.

Because major commercial finance companies are involved daily in hundreds of different kinds of businesses in every part of the country, their people are knowledgeable in a cross section of U. S. industries and markets. At Talcott, business finance specialists, operating out of 12 major population centers, deal each day with businesses such as food processing, metal working, electronics, textiles, lumber and many others. Being good businessmen and, at the same time, being aware of the needs of specific industries permit commercial finance companies to take both a broad and intensive view of a loan application.

Using their multi-industry knowledge, commercial finance companies build the strongest possible collateral base for clients. Along with traditional items like accounts receivable, inventory, property and equipment, they take into account the total company. Specialists review all company opera-

tions, including financial statements, physical plants and facilities, marketing and production methods, present and future prospects and, most importantly, the businessman.

This in-depth contact with the borrower doesn't stop with the loan agreement. It continues throughout the relationship. To monitor and analyze loans, gauge clients' long- vs. short-range financing needs and make certain that loans are used effectively, commercial finance companies conduct periodic audits and meet frequently with top management. This systematic approach and close contact can help both financially troubled clients and those with sound management practices.

For clients with loosely run businesses, internal discipline often is enforced. Strict attention is paid to a variety of areas, ranging from budgeting to sales performance to cash management—in short, everything that affects a company's financial position. Improved accounting procedures also may be introduced and use of outside management experts may be recommended. Oftentimes, these services are almost as important as the money provided in the loan.

For clients with well-run businesses, commercial finance companies act as a sounding board for management and thus assist them in planning their business activities.

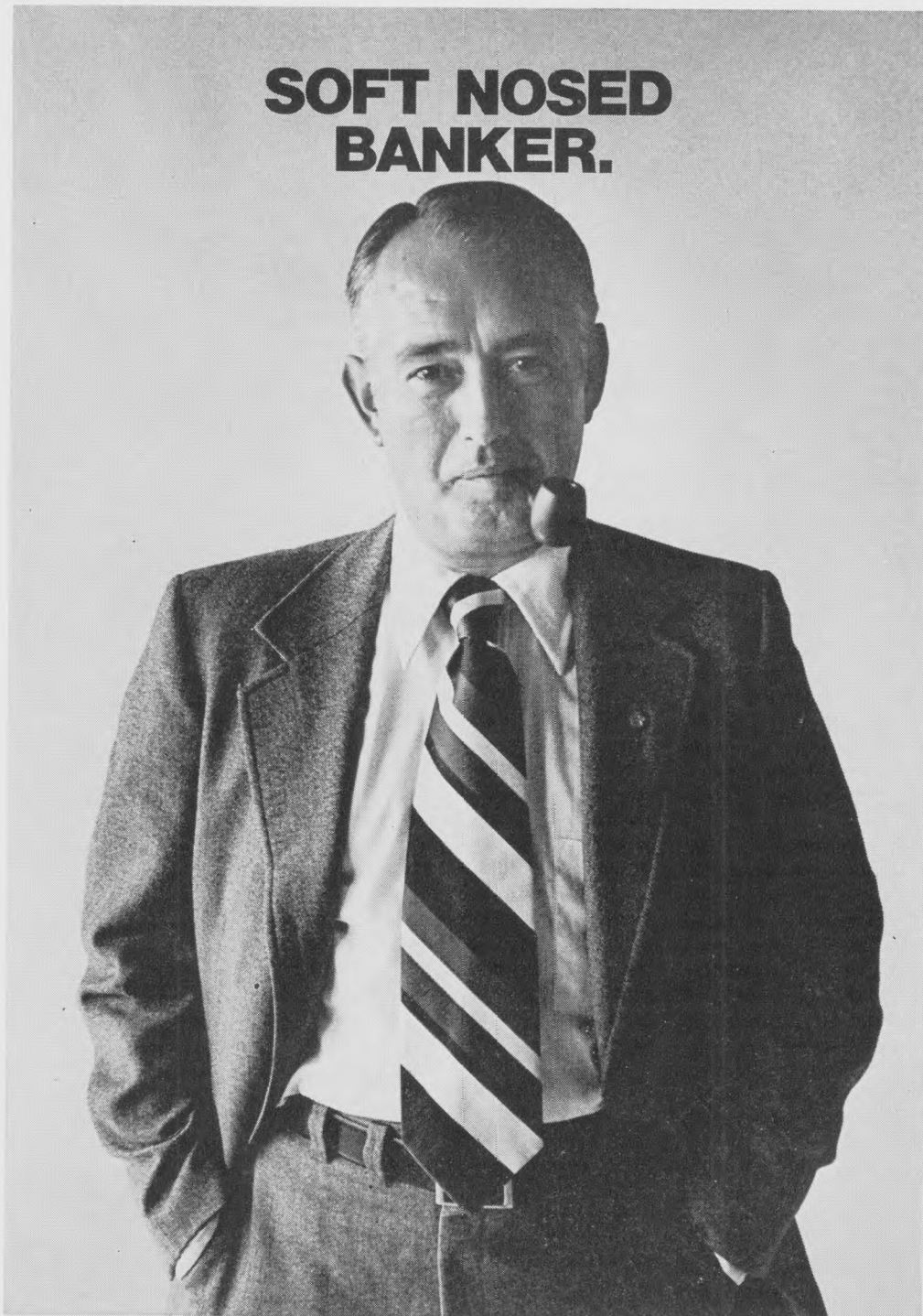
The net result is that the businessman winds up with a new perspective on his company and, in many cases, a better-managed and more profitable organization. Consequently, the bank has a more secure and productive loan.

The commercial finance company benefits from bank referrals and participation loans in several ways. Naturally, for funds that are employed, the commercial finance company and the bank earn interest. But the biggest plus is the strong relationship with the banking community built up over the last 150 years. Banks not only provide credit for commercial finance companies, but also are the prime source of new business.

Knowing how commercial finance companies work and what they offer is a major step forward in evaluating this unique and specialized service. But the best way to get a full picture of how commercial finance companies can help is to meet directly with a reputable firm. A commercial finance professional can get an accurate reading of your client's situation and help design the right financing plan.

Picking the right company for your needs isn't easy. The best approach is to map out the pluses and minuses of commercial finance companies. Here's

SOFT NOSED BANKER.



Jim Walker, head of our Correspondent Bank Department. Our correspondent banking friends know him as "the original good guy."

Because through the years, good ones, and bad ones, Jim's been there to be sure that whatever help our friends needed, they got. And if getting that help involved some extra effort, some special service, some unique arrangements, Jim was there to prove that going the extra mile was pretty routine stuff with us.

If you're not getting that kind of service and attitude from your correspondent banking relationship, well, we're just a free phone call away. In Tennessee, 1-800-342-8240. In other states, 1-800-251-8514.



First American Center, Nashville 37237

FirstAmtennBankgroup
Member FDIC

a checklist that should prove helpful:

- *Financial Backing:* The commercial finance company should have sufficient financial strength to meet your client's needs—present and future.

- *People:* The best company is one with people who are creative and experienced lenders and flexible enough to adjust to situations that don't fit neatly into a set plan.

- *Service:* Since you'll be working closely with the company, pick one that can respond quickly and is familiar with the region in which you operate, one that has a track record of having successfully worked with banks

over a period of years.

- *Facilities:* Along with financing, many commercial finance companies have access to a variety of management-information material. Choose a company that can provide a wide variety of business services.

The final step is to take advantage of the variety of services a commercial finance company can offer to the bank and its clients. A good business tool should be part of any company's resources. You may or may not need it now, but it's a plus to have it ready at the right time. Frankly, there's never been a more important time than now.

Fed-Member Leavitt Cites Priorities For Lenders During RMA Conference

WHILE "national priority" lending programs would be unwise, the banking industry should continue as a major source of funds for borrowers, said Brenton C. Leavitt, director, Division of Bank Supervision and Regulation, Fed Board of Governors, during the 61st annual Robert Morris Associates conference at San Francisco's Fairmont Hotel.

"Concern has been expressed," Mr. Leavitt told the audience of about 930 during the November 3-5 conference, "that the loan problems now centered in some bank portfolios will cause many banks to be unduly wary and restrictive in the granting of credit. This need not be—in fact, should not be. Bankers can be expected to have learned from the recent loan problems and lending officers may be expected to extend credit on a basis that will be prudent for both borrowers and lenders."

Mr. Leavitt indicated that the difficulties encountered by the banking system during the past few months must not be given too much weight, and that there are two areas in which borrowing needs must be met if the nation is to recover and enjoy economic growth: financing consumers and creators of jobs.

"Our economy," he said, is built on the consumption of goods and services, with a part of that consumption based upon credit. Consumers will continue to consume and their appropriate borrowing needs must be met.

"Moreover," Mr. Leavitt added, "if we are to have the jobs needed for an ever-expanding labor force, capital to create them must be forthcoming."

He then cited the need to finance machinery and equipment, as well as distribution and sale of the products of farms and factories.

Stressing the importance of the cred-

it worthiness of borrowers, Mr. Leavitt said that construction of new homes, factories and facilities is a major contributing factor to a high national standard of living. "While the experience of the last few years has shown that this type of lending can be risky," he stated, "the lessons learned should be valuable when considering loans of this type in the future. Good lending practices will permit the banking business to service it without imprudent risktaking."

"If, for reasons of social policy," Mr. Leavitt concluded, "credit extensions of certain types are desirable whatever the risk, then it would be desirable to provide for such financing in the public budget and not in the private or quasi-private investment sector."

Another spotlighted speaker during the RMA conference was Fred Busch, vice president, corporate banking division, Crocker National, Fresno, Calif. His topic was "Agriculture—An Industry Review."

He cited the soaring prices of agricultural products—and the reasons for them—and reminded the audience that due to a rising world population and affluence, the increasing demand for agricultural products would continue into the foreseeable future.

"The Department of Agriculture has revised downward its estimate of the Soviet grain crop," Mr. Busch said, "to 175 million metric tons, down more than 20 million tons from last year's production and 40 million below their target of 215 million for this year. Some private forecasters are of the opinion that this year's crop could be as low as 165 million tons. Total value of U. S. exports to Russia during 1976 is currently forecast at about \$2 billion, compared with \$400 million for the year ending July, 1975.

"Exports to Japan dropped 18% in

volume during 1975," he continued. "Next year, however, demand is expected to recover to the 1974 levels. Exports to the Peoples Republic of China are expected to continue to decline during 1976, as a result of the excellent crop being harvested this year. In total, U. S. exports during 1976 are expected to amount to nearly 100 million tons, about 14% more than 1975, and should total \$22-24 billion."

This is good for the demand side of agriculture, he said, noting the high correlation between disposable income and per-capita consumption of meat and livestock products. A high demand for meat, Mr. Busch said, increases feed-grain consumption, which, coupled with expanding export markets, provides a good economic environment for agriculture for the rest of 1975 and all of 1976.

He continued, examining the reasons for the problems experienced by the supply side of the beef market, concluding that lenders should realize that the possibility for widely fluctuating commodity prices still exists. Cattle numbers, he stated, aren't in line with demand, so shortages or surpluses still can develop. The price of grain now is determined by the world market, he said, adding that world supply or demand can't be determined accurately.

"Profit opportunities still exist in cattle feeding today," the California banker said, "and the financing of cattle feeding operations is still good business for a lender when properly handled. We learned during the past two years that, during periods of unstable prices, the risk of loss due to fluctuating prices should be shifted away from the cattle feeder to the risk speculator. This most often is accomplished today by hedging and most of our cattle feeding loans include provisions for a fully integrated hedge. By fully integrated, we refer to the simultaneous purchase of feeder cattle, the sale of fat cattle futures and provisions for the major ingredients of the fattening ration."

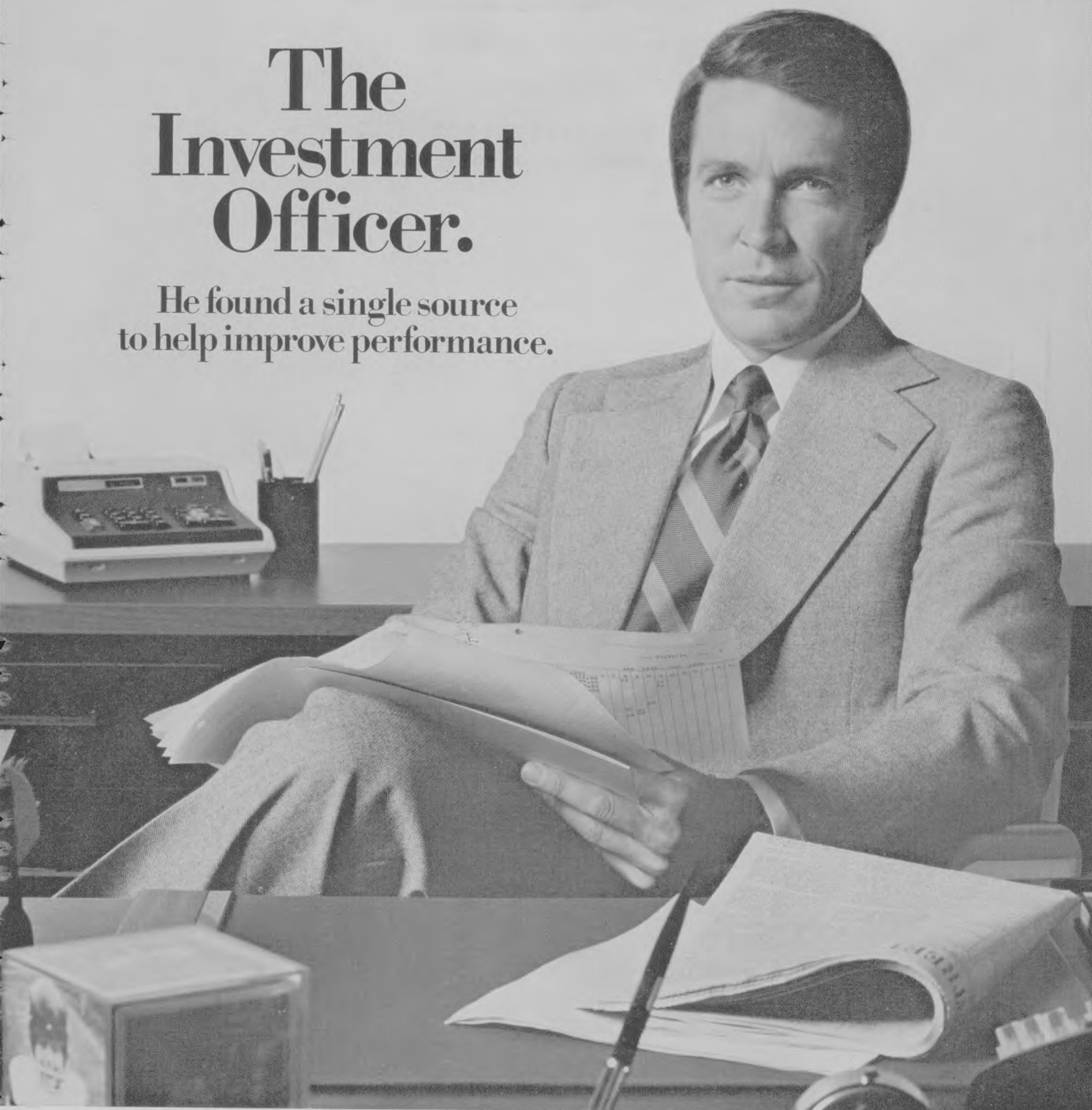
What challenges lie ahead? The management of U. S. grain production, inventory and reserves, Mr. Busch stated. Since government controls were lifted, he said, there is no effective mechanism to absorb excess production or determine adequate reserves.

Other speakers. Conference-goers had the opportunity to hear other speakers, including Martin Mayer, author of *The Bankers*; U. S. Representative John H. Rousselot (R.-Calif.); and Carter H. Golembe, chairman, Golembe Associates, Washington, D.C. Dr. Golembe delivered the final address, "Commercial Lending: Where Do We Go From Here?"

(Continued on page 86)

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KEYE

• Scarborough & Co. James R. Keye has been appointed director, group and association benefit programs, Scarborough & Co., Chicago. Prior to joining Scarborough, he was an account executive with Combined Insurance, and before that had spent 13 years with CNA Insurance, attaining the position of administrative sales manager. In other news at Scarborough, Lois Johnson, secretary, Scarborough Associates, will retire December 31. She joined the company in 1945 as a bank bond underwriter. In 1946, Miss Johnson was named secretary to the late Henry Scarborough and later that year was chosen manager, Scarborough Associates' employee benefit plans for financial institutions.

Corporate News Roundup

• Diebold, Inc. John R. Lavery has been named director, corporate quality assurance, Diebold, Inc., Canton, O. He will direct planning, control and management follow-through of a customer-responsive program for Diebold product quality and reliability. Prior to joining Diebold, Mr. Lavery had held a similar position with NCR Corp., Dayton, O., since 1970.

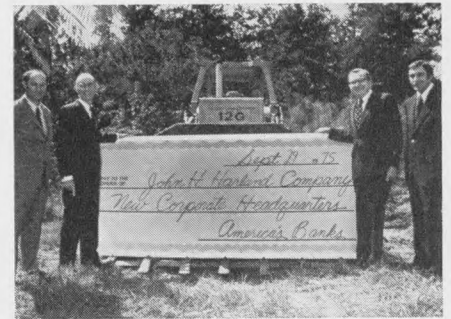


LAVERY

• Lawrence Systems, Inc. John J. Cindric has been promoted to vice president-sales, Midwest region, Lawrence Systems, Inc., San Francisco, subsidiary of INA Corp. Mr. Cindric joined Lawrence in 1960 as an examiner, then was elevated to assistant vice president and Ohio district manager. In his new position, he will be responsible for the 12-state sales force of the Chicago region.

• MGIC Investment Corp. Max H. Karl, former president, MGIC Investment Corp., Milwaukee, has been elected chairman, following the resignation of Henry A. Bubb. Mr. Karl continues as MGIC CEO and as chairman, Mortgage Guaranty Insurance Corp., MGIC's principal subsidiary, while Mr. Bubb continues as MGIC executive committee chairman. Gerald L. Friedman, formerly executive vice president, has been named president and chief operating officer, MGIC; Leon T. Kendall, a former vice president, has been elevated to executive vice president and continues as Mortgage Guaranty president; and John J. McCormack, financial vice president, has been named senior vice president-finance.

• John H. Harland Co. John H. Harland Co., Atlanta, has announced plans to build a new corporate headquarters, with occupancy scheduled for late summer 1976. The new facility, which will have 44,000 square feet of space, will be located 10 miles east of Atlanta, adjacent to Harland's Snapfinger Plant. Its exterior will be of glass



and cypress. Pictured at the groundbreaking ceremonies are (l. to r.) Robert R. Woodson, executive vice president; Monroe Kimbrel, Atlanta Fed president and former ABA president; H. Grady Wilson Jr., executive vice president; and J. William Robinson, president.

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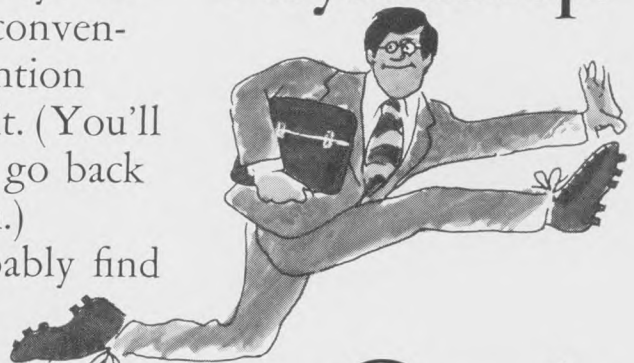
You'll probably find that even our *schedules* are comfortable when you check them against yours.

If ever there's a time when the businessman with drive can really fly, this is it.

From takeoff to touchdown, the Ozark team is ready with all the back-up you need.

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MID-CONTINENT BANKER for December, 1975

Installment Lending

ABA's 1974 Installment Credit Survey Shows Simple-Interest Plan Upswing

SIMPLE-INTEREST payment plans are on the upswing, according to the American Bankers Association's 1974 installment credit survey. Of 1,063 banks surveyed, 13% of the respondents reported operating the plans in 1974, compared with 9% in 1973.

Under that type of plan, bank customers have the option of prepaying—paying before the due date—the loan finance charge, allowing the consumer more control over the total interest paid.

Many banks—over 40% of those responding—made new loans with maturities exceeding 36 months, continuing a trend that began in 1972. Such plans provide the consumer with lower monthly payments, said the ABA.

According to an ABA spokesman, the likelihood of a bank extending a 42- or 48-month auto loan increases

with deposit size of the institution. Only 22% of the respondents with less than \$10 million in deposits were exceeding 36 months, while over 50% of those with more than \$500 million were doing so.

More than 20% of the respondents offered retail package programs to customers by the end of 1974, but about 40% of those with more than \$500 million in deposits reported operating such programs.

The ABA installment credit survey also shows that:

- Nearly two-thirds of reporting banks participate in some way in a bank card program.

- Over 80% of respondents were operating some type of check credit or overdraft banking program at 1974's close, up from 45% the previous year.

- Bank card loan-loss ratios contin-

ued to improve in 1974, when measured by volume and liquidation.

- The installment credit share of total bank loans and discounts was 11.7% in 1974, up from 11% in 1973.

- The ratio of installment loan outstandings to total bank deposits rose .7% from the 1973 figure of 7.6%. The most significant gain was seen in banks having \$500 million or more in deposits—6.1% to 6.6% over the previous year.

The Middle Atlantic and Pacific regions experienced the most significant relative growth of installment credit during 1974. The ABA indicated that those regions have a "considerable proportion" of large money center institutions, pointing to a shift toward installment credit plans in the larger-sized banks.

Although the sample used in the ABA's survey represents a proportionately greater share of larger institutions than exists in this country, the statistics are broken down by deposit size. • •

Master Charge Volume Exceeds \$500 Million In Midwest Area in 1975

Business volume of the Master Charge credit card exceeded \$500 million in the Midwest during fiscal 1974, according to Credit Systems, Inc., St. Louis. CSI's operating area includes Missouri, Kansas, southern Illinois, western Kentucky and Iowa.

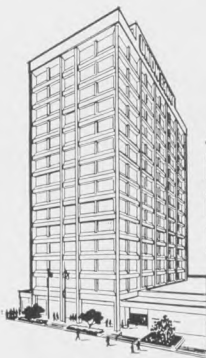
The year's volume, \$509,901,000, was 31% higher than the previous year. That total is a combination of retail transactions and cash advances received by cardholders from banks offering the card.

The number of individual transactions was up 21%, to \$21,862,000, while CSI officials stated that 50 banks joined the system during 1974.

Additionally, the firm announced that all directors were reelected, with Richard P. Tennant as president and Bruce E. Woodruff as secretary.

Other board members include Chairman Ethan A. H. Shepley, executive vice president, Boatmen's National, St. Louis; Vice Chairman Fred A. Dunmire, executive vice president, Commercial National, Kansas City, Kan.; Alan B. Collins, senior vice president, United Missouri Bank, Kansas City; Charles A. Elfrank, senior vice president, and C. Philip Johnston, vice president, Mercantile Trust, St. Louis; and William G. Travis, vice president, First National, St. Louis.

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Bank Investments

Short-Asset and Liability Management Is Important Key to Bank Earnings

By J. DAVID BROCK
Vice President
Northern Trust, Chicago

THE RECENT DROP in short rates has had differing income implications for banks with differing financial structures.



For money center banks relying more heavily on short liabilities to finance earning assets, the unusually wide spread between the cost of these funds and loan rates has resulted in handsome profits.

At the same time, this sharp adjustment in short rates has had the opposite impact on many of the nation's non-money market banks. On balance, these institutions have been sellers of funds over a period of time. According to Mabon, Nugent & Co., Fed funds averaged 10.5% in 1974. For net sellers, this instrument has made substantial

contributions to bank profitability, but with Fed funds now trading considerably lower, this no longer is true.

This situation creates a dilemma for today's bank management: Should a portion of our short portfolio (Fed funds sold) be allocated to longer-dated assets in defense of earnings, or will we find we have made these commitments at the wrong time? Should we aggressively try to reduce the issuance of negotiable CDs and other short liabilities, or will we find we have given up funds sources that will be needed in the future?

The answers depend on the banker's view of trends in future interest rates. Whatever management can do to improve the accuracy of those views will be well-rewarded in the income statement, but it's not only rate forecasting abilities that need emphasis. Answers to these questions also are influenced strongly by the financial structure of a bank at a given time. Conditions vary from bank to bank, so decisions regarding management of short assets and liabilities must be tailored to the individual bank's needs.

Bankers must adequately analyze the composition of their balance sheets for more successful control. Indeed, the more important concern, one transcending today's dilemma, involves structuring management's decision-making process for more effective future operations.

Management of short assets and liabilities is just one problem in overall bank financial planning. Without an overview of the institution (including an historical perspective and future expectations) the banker may fail to make appropriate or timely decisions. The management function is to define data that are most crucial for policy decisions and to simplify them for effective review. That would be relatively simple if a commercial bank could operate without constraint to maximize earnings, but there are a great many internal and external constraints that must be considered.

We can't hope to develop one simple ratio to judge a bank's operations. Sound decisions require continual review of capital ratios, risk asset ratios, liquidity ratios, quality of asset ratios, quality of earnings ratios, etc. Harmonious blending of diverse requirements truly is at the heart of bank financial planning.

The challenge of financial planning requires that we have some simple, flexible and readily intelligible tool to use as an analytical point of departure. Some bankers feel a restructuring of the statement of condition on the basis of a source and use of funds concept offers such a tool. Such a restructuring can encourage management to define the nature of assets and liabilities and this greater control should mean better results.

The accompanying hypothetical example describes a source and use of funds analysis. Additionally, it explains the role such analyses can play in the decision-making process.

One first must examine the ledger's liability side to distinguish between stable sources of funds and borrowed funds. Typically, demand and time deposits (including CDs), the capital account and other liabilities net of borrowings constitute the stable sources of funds. In the example, the various sources total \$143 million, but because we exclude non-earning assets in our analysis of uses—cash, due from, building, other assets—we also reduce funds sources by an equal amount for balancing purposes.

With \$20 million in non-earning assets, the total available for investment is reduced to \$123 million.

Turning to the "uses" portion of the analysis, one must distinguish between

SOURCE AND USE OF FUNDS ANALYSIS
XYZ NATIONAL BANK
(000)

SOURCES	AVERAGE MONTHLY FIGURES
Demand Deposits	\$ 45,000
Time Deposits	82,000
Fed. Reserve (T.T. & L.)	1,000
Total	\$128,000
Total Capital	12,000
Other Liabilities (Net of Short Borrowings)	3,000
Building	(2,000)
Other Assets	(3,000)
Cash and Due From	(15,000)
Total Available for Investment	\$123,000
USES	
Loans (Net of Short Portfolio)	\$ 95,000
Securities (Net of Short Portfolio)	35,000
Total Uses	\$130,000
Net (Basic Position)	(7,000)
Borrowed Funds	
Fed Funds Purchased	16,000
Repurchased Agreements	5,000
Combined Short Portfolio	
Fed Funds Sold	13,000
Liquid Investments	1,000

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Cecil G. Denton

Walter E. Knowles

longer-term earning assets and the short portfolio. Non-earning assets are excluded from the source and use of funds analysis because they represent fixed, rather uncontrollable items. In the example, uses of funds representing loans and investments total \$130 million.

Management must subjectively define the nature of assets and liabilities to create the analysis. The banker must review his particular operation and make reasonable adjustments in the analysis format. For example, a portion of the CD position could be viewed as borrowed funds instead of a stable source. Bankers could have different opinions as to what assets belong in the short portfolio vis-a-vis the longer-term account. One of the greatest values of the format is that it channels our thinking to evaluate the complexion of the various sources and uses of funds.

A comparison of the bank's total funds available for investment and of funds available for long-term uses allows management to determine what fund imbalance exists. Some call this imbalance—one to be corrected by a money market activity—the bank's basic position. The basic position depends on the general level of interest rates and supply-and-demand credit changes affecting the particular institution.

In our example, the bank has a negative basic position of \$7 million. Clearly, the bank relies to some degree on purchased funds to finance loans or investments. These borrowings involve a combination of Fed funds purchased and repurchase agreements. They not only cover the bank's negative position, but provide excess funds that subsequently are invested in the short portfolio.

The determination of basic position provides management with a valuable tool. In the narrower sense of the concept, the money desk manager can understand the nature of any daily fund imbalance that exists and take appropriate action.

In a broader sense, the basic position figure can be a continuing focal point for management's review of the bank's overall asset and liability structure. For example, a banker may make a policy decision concerning the maximum negative basic position (or maximum positive basic position). If that position is reached, it will trigger an appropriate reaction.

Additionally, the basic position of the bank can be used as a forecasting tool. Will the bank be in a negative or positive basic position over the next few quarters, and to what degree? If the forecast predicts an undue imbalance, what steps should be taken?

Once again, it is clear that source and use of funds analysis and the determination of basic position can be an effective format for management review. The banker can evaluate his reliance on market-sensitive liability funds to finance longer-term earnings assets, as well as develop greater awareness of his true purpose for borrowing. The format also may generate greater control of short assets and liabilities as management attempts to guide the direction and level of the bank's basic position. With greater control, improved results can be expected.

As short interest rates have shown great volatility, it's clear the banker also must be responsive to his expectations of future interest rates. With increased knowledge of the bank's overall asset and liability structure, he will be in a better position to make appropriate adjustments based on these expectations. For example, management may wish to stress Fed funds purchased rather than longer-dated CDs or repurchase agreements.

At other times, given a different view of the rate trend, the opposite might be the case. Understanding that control of the liability side of the ledger isn't a simple matter, the banker should attempt to structure the mix as well as the length of his short liabilities in keeping with his rate expectations and the financial requirements of the bank.

The same management concept is true for the asset side of the statement, as the illustration demonstrates. From the example we note that Fed funds sold represents the bulk of the portfolio. That may have been a reasonable posture under last year's rate structure, but with rates under a significant downward pressure earlier in 1975, a change in that short portfolio may have been warranted. As it became reasonably clear that short rates would drop from the highs of last fall, the bank should have considered expanding the portfolio to include a number

of money-market instruments. An extension into 60- to 90-day assets, with borrowing costs dropping rapidly, could have helped protect earnings throughout that period.

The sharp drop in rates in 1975 should stimulate bankers to consider the use of a variety of short assets to employ excess funds. Though the sharp drop in rates now may be behind us, be prepared for future operations of this kind. Management should generate policy on acceptable money market instruments, credit limitations within the various classifications of instruments, short-term portfolio mix and maturity limitations.

Become familiar with the types of instruments usually associated with the short portfolio and how they may trade against each other. Some of these instruments are Fed funds, commercial paper, CDs, bankers' acceptances, federal agency discount notes, Euro-dollar deposits, short U. S. Treasuries and quality tax-exempt notes. • •

Lasater Returns to Mercantile After Being Found Innocent Of Perjury Charges by Judge

ST. LOUIS—Donald E. Lasater was reinstated as chairman, Mercantile Bancorp., and its lead bank, Mercantile Trust, last month after having been found innocent of four counts of perjury by U. S. District Judge John W. Oliver in Kansas City.

Mr. Lasater requested and was granted leaves of absence from the two posts last March 3 following indictment for perjury February 24 on the basis of testimony he gave before a federal grand jury in Kansas City. He testified on certain loan transactions between Mercantile Trust and the late J. V. Conran in 1968 and 1969.

At the time of his indictment, the HC's and bank's boards expressed their confidence in Mr. Lasater's integrity and their sincere belief that the charges made against him would be determined to be unfounded.



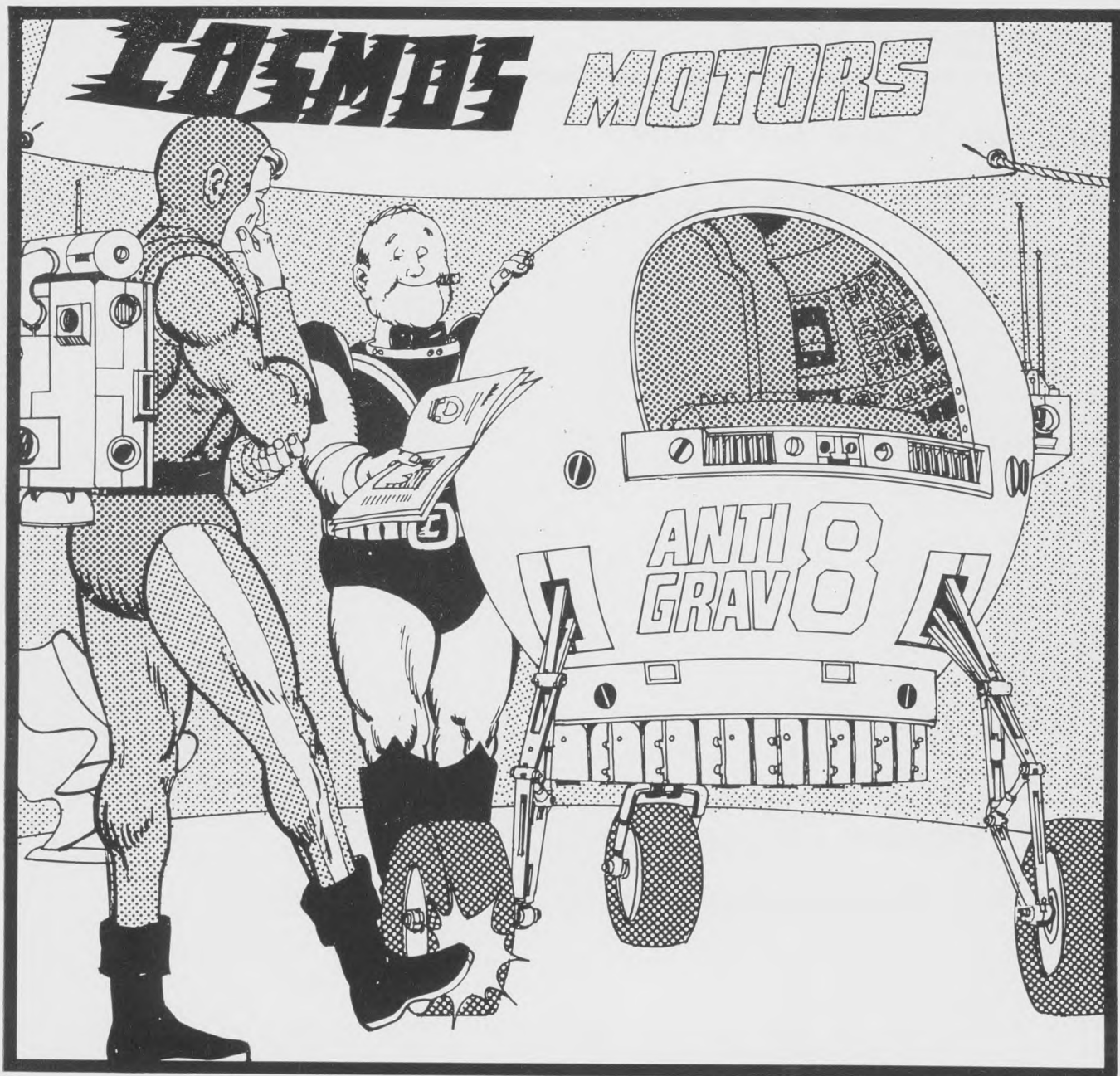
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(This illustration is taken from a consumer campaign now running in New Orleans. We'll gladly send proofs of the series on request.)

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Personnel

'BankSim' Is New AIB Game; Said To Boost Leadership Ability

WHAT HAS BEEN touted as the banking industry's newest and most sophisticated management simulated game, "BankSim," has been introduced by the American Institute of Banking. It is designed to enhance the middle-to-upper-management-level banker's leadership ability by requiring participants to manage their own "banks" in team competition against one another.

The game, which will tour several cities in the next couple of months, will be offered to all AIB chapters until June, 1976. "BankSim," using a computer, allows team members to run "banks" for eight consecutive quarters at banking schools. That length of time reportedly is enough to establish a distinct track record for the competitors.

Team decisions deal with loans, deposits, investment purchases and sales, sales of capital, borrowings, dividend policies, expansions of premises, mar-

keting efforts, salaries, costing and pricing, safety, profitability and liquidity.

At each session's close, team decisions are fed into the computer. Subsequent printouts—twice daily—of "quarterly results" reflect the consequences of the decisions and their interaction with the economy.

An AIB official states the simulation exercise is expected to give participants an understanding of how banks operate, how all the "pieces" fit together in a commercial bank and what's involved in planning, forecasting and decision analysis.

"The underlying lesson," the official said "isn't so much working with computers as group dynamics: learning how to analyze information, acting on it and functioning as a team, so necessary business tradeoffs can be calculated adequately and all the variables that go into sound bank management are balanced correctly." ••

NABW, Simmons College, Sponsor Program To Provide Management Training, Degrees

THE National Association of Bank Women, in conjunction with Simmons College in Boston, has begun an educational venture that will give women bankers academic degrees and management training needed to climb to the top in banking, according to the NABW.

The program, which awards a B.S. degree in management at completion, combines past and present academic credit and learning, plus on-the-job experience with specially designed management institutes.

Students in the course from the Mid-Continent area include Ruth Bryant, vice president, St. Louis Fed, and past NABW president; and Susan Ryan, operations supervisor, Continental Illinois National, Chicago.

Following their participation in a September orientation at Simmons, bankers from outside the Boston area have enrolled for credit courses in other institutions or are pursuing independent studies.

All students will meet at the school in Boston in January for the first of six two-week management institutes form-

ing the core of the program. Emphasis of the institutes will be on special problems women encounter within a corporate structure. They also will teach traditional management skills and advanced economic and banking techniques.

Development of the curriculum has been funded by a Carnegie Corp. of New York grant, while matching funds for administrative support have come from NABW members and many banks throughout the country. Within three years, according to the NABW, the program will be extended to nine other colleges and universities.

Applications for future semesters now are being accepted. Any woman may apply: NABW membership is not a prerequisite.

For full information about the program, contact Anne L. Bryant, Educational Director, NABW Educational Foundation, State Street Bank & Trust Co., Box 351, Boston, MA 12101; or Lillian Hohmann, Administrative Director, NABW Educational Foundation, 111 East Wacker Drive, Chicago, IL 60601. ••

Employee-Reward Program Held at Illinois Bank

All employees, full- or part-time, had an opportunity to earn cash awards at Heritage/County Bank, Blue Island, Ill., by generating new bank accounts and new customer-service accounts. The staff learned details of the eight-week contest at a festive kickoff dinner.

The contest, called a reward and recognition program, worked like this: Cash awards were paid weekly, but prize points were accumulated over the eight weeks toward the "summer vacation" prizes and were awarded after the contest closed. Each week during the contest, a meeting was held to recognize those who earned cash and prize points. In addition to cash already earned, a \$25 bonus check was given to the person accumulating the most points.



Winners in reward and recognition program sponsored by Heritage/County Bank, Blue Island, Ill., hold certificates of appreciation as they are photographed with bank officers: Richard T. Wojcik (l.), pres.; Donald O'Toole (2nd from r.), ch.; and Anthony Tortorici (r.), e.v.p. and program controller. Winners are: Joanne Breit (2nd from l.), Toni Ebeling (3rd from l.), Harry Harcjak Jr. (c.) and Jeanette Haffner (3rd from r.).

At the end of the contest, names of those who had accumulated the highest point totals were announced, and the winners were given their "summer bonus bonanza" prize.

Executive Vice President Anthony Tortorici, program controller, said contest results were highly successful and employee interest so gratifying that the cash-award portion will be continued for the rest of the year.

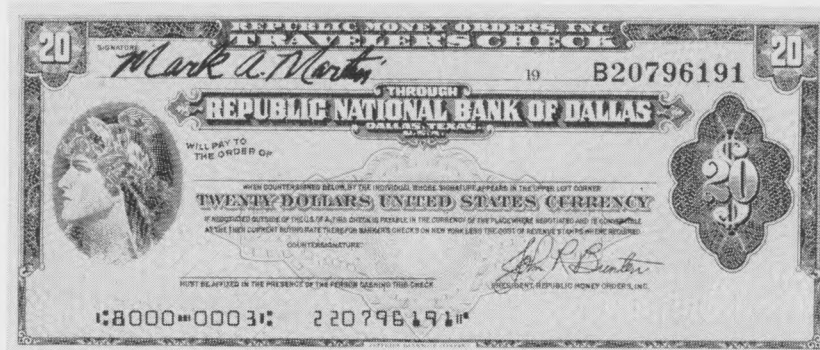
Clark Gets New ABA Post

John S. Clark has been elected director of the ABA Commercial Lending Division.

Mr. Clark, who joined the ABA in 1968, continues as Correspondent Banking Division director, a post he has held since the division's 1971 inception.

Prior to joining the ABA, Mr. Clark served with Union Trust, Stamford, Conn., and Broward National, Ft. Lauderdale, Fla.

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• **Time-O-Matic, Inc.** Howard Savings Bank, Newark, has installed this "FlipOmatic" time/temperature sign by Time-O-Matic, Inc., Danville, Ill. The unit has no incandescent lights, but round metal disks, black on one side and reflective yellow on the other, give the read-out. Solid-state electronics cause the disks to flip on their centers. Night-time reflection is augmented by an internal fluorescent light. Power requirements of the "FlipOmatic," according to a company spokesman, are as much as 80% less than with incandescent signs. Write: Time-O-Matic, Inc., P.O. Box 850, Danville, IL 61832.



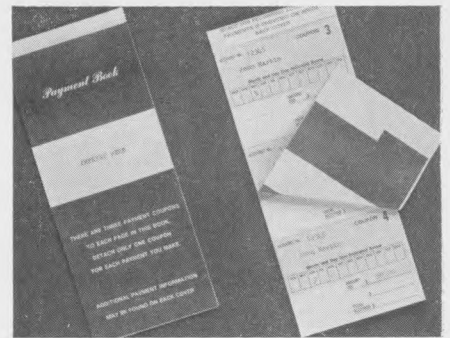
• **Mosler.** "Full automatic teller service for less than half the cost per customer unit of conventional automatic teller" is the claim made for the Teller-Matic Customer Transaction Terminal, marketed by Mosler, Hamilton, O. The terminal reportedly performs all the functions of the Teller-Matic Mark II, including dispensing cash one bill at a time and accepting deposits, but the transaction terminal has no intelligence

New Products and Services

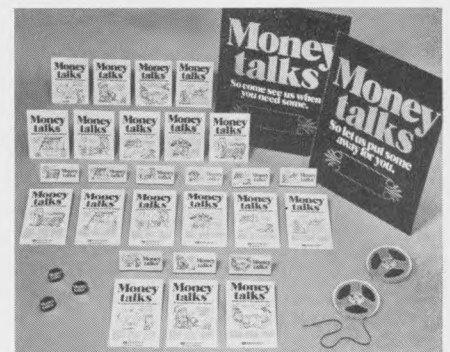


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NYC Default, CofC Reorganization, EFTS Discussed at BAI Convention in Atlanta



Happy fivesome at BAI convention includes (from l.) John F. McGillicuddy, pres., Manufacturers Hanover Trust, New York; Maynard H. Jackson, Atlanta mayor; Richard L. Kattel, ch. & pres., Citizens & Southern Nat'l, Atlanta—convention ch.; James E. Smith, Comptroller of the Currency; and Ronald G. Burke, BAI e.v.p., who will step up to pres. January 1.

APPROXIMATELY 2,800 bank operations people heard a plea for federal assistance for New York City, plans for the restructuring of the office of the Comptroller of the Currency and a discussion of often-overlooked points about EFT at last month's 51st annual convention of the Bank Administration Institute in Atlanta.

John F. McGillicuddy, president, Manufacturers Hanover Trust, New York, was keynote speaker. He called for federal assistance in preventing New York City's default according to a plan "which seems reasonably susceptible of completion and which is designed to return the city to the marketplace within a reasonable time."

He said it seemed entirely proper to him for the federal government to act as lender of last resort for a municipal-

ity, whether through a direct loan or as guarantor.

He said he feels the opportunity exists to solve New York's problems on a sound and constructive basis, without penalty to those outside New York and without running a larger risk which is as real and potentially harsh for the rest of the country as it is for New York City.

Comptroller of the Currency James E. Smith said one of the main goals of the reorganization and restructuring of his office is the shift in emphasis from dealing with individual bank situations on an ad hoc basis to reviewing and monitoring the national banking system as a cohesive unit.

He said one of the prime vehicles for implementing this goal will be the establishment of an early warning system—part computer, mostly human—that will be able to spot changing patterns of behavior in the banking system and in individual banks.

The early warning system, called the National Bank Surveillance System (NBSS), will employ a ratio analysis

Principal speakers at opening general session of BAI convention flank BAI Pres. F. Byers Miller. At l. is John F. McGillicuddy, pres., Manufacturers Hanover Trust, New York. At r. is James E. Smith, Comptroller of the Currency. Mr. Miller will retire at end of year.

system comparable to those used by financial analysts.

He said the basic elements of NBSS would include a data collecting system, a computer-based monitoring system, an evaluation of that data by experienced examining personnel and a review procedure to control remedial action.

Some of the principal features of the system would include the use of key indicators, both financial and non-financial, to alert the Comptroller to possible innovative or adverse developments; computer-produced, action-oriented reports; the use of specialists to interpret the data and the use of limited field examinations.

He said that, by monitoring banks quarterly in this manner, "we will be able to spot rather quickly any factors that may indicate the development of a seriously critical situation—in a bank, in a region or in the whole system.

He said it is not the intention of his office to make banks conform like sheep to a theoretical average or preconceived set of parameters. Rather, he wants banks to try different approaches, but he also wants to be alerted to both innovative methods and potential problem areas.

He said bank examiners will benefit from the additional information NBSS will provide, giving them better pictures of a bank's condition prior to examination. He said the examiner's role will shift from reliance on his own verification procedures to more use of the bank's own efforts in that direction, wherever possible.

He said the system will be tried first in a few selected regions on medium-sized banks.

Robert H. Long of the BAI staff presented six thoughts on EFT that have often not been a part of the EFT thinking of most bankers.

They include the fact that EFT is a worldwide phenomena and that the U. S. is not leading the pack in EFT; that the EFT revolution is larger than banking and that those who want to stop or control its development in banking will be giving non-bank interests added competitive advantages over banks; that EFT, the use of electronics to service the money system, is applied to several different money systems, including the currency system, the check and draft system and the electronic money system, the latter being the heart of EFT development; that the economics of EFT suggests that shared systems are by far the most viable; that many EFT services are complimentary to one another and they will not be fully successful until the full line of services is available to customers; and

(Continued on page 62)

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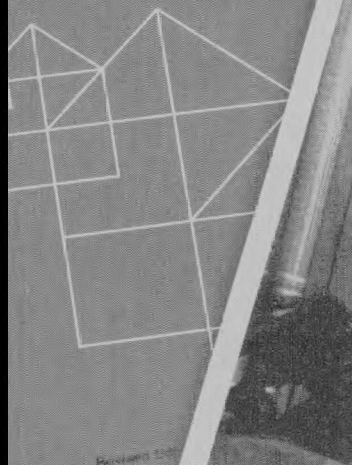
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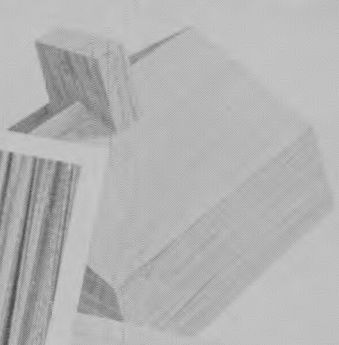
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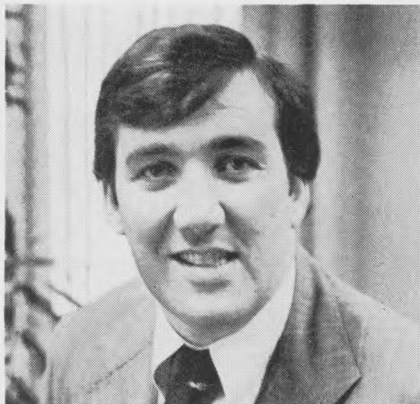
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“In my position at one of America’s leading mortgage banking companies, I’m constantly evaluating MI companies. And for my money, Mortgage Guaranty Insurance Corporation is an even better resource today than it was in the beginning.”

How long have you been doing business with MGIC?

“We started in 1972, when Advance Mortgage Corp. first began dealing with mortgage insurance companies. We were well aware of Max Karl’s founding principles, which now have proven their merit for nearly two decades. Mr. Karl literally created what is today a \$34 billion industry.”

True, MGIC created the MI industry. What have they done for you lately?

“They never seem to stop coming up with innovations that benefit lenders. Their initiative in establishing a secondary market was a lead for the entire industry. Because of its national ‘reach’, MGIC’s secondary market facility gives lenders far broader marketability of loan portfolios.

“Some investors *insist* on MGIC insurance before negotiating a deal. This reflects acceptance by the lending industry of the strength and protection offered by MGIC.”

What is your reaction to the MAGICUS system for government loans?

“MGIC provided the catalyst in MAGICUS to help get the new government and special loan programs off the ground. At the outset, there was a lot of confusion about FHLMC, GNMA, and FNMA programs. MGIC’s

individual counseling, MAGICUS seminars, and Loan Processors’ Kits helped strip away the cloak of mystery. It showed every facet of the financial community how to efficiently use these new programs. I’d say MAGICUS helped trigger broad lender participation.”

Besides innovation, why do you deal with MGIC?

“Broadly speaking, MGIC fulfills their commitments. We’ve never had a service need that they didn’t meet on-the-double.

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EFT:

Its Projected Effect On Banking, Banks, Equipment

Expansion of Services Expected by Bankers

BANKERS who have assessed the effect electronic funds transfer will have on their industry are generally agreed that EFTS will not "dehumanize" banking but it will enable banks to expand their services.

EFTS will probably cause a rethinking of many state banking statutes, but it probably will not be the death knell of unit banking.

EFTS will undoubtedly affect bank construction, but the need will remain for bank structures populated by humans who can provide financial services to bank customers.

Perhaps a more significant point than those enumerated above is the fact that the majority of bankers are not yet ready to comment on EFT's invasion of the industry. Apparently, a good many bankers are so busy keeping abreast of current EFT developments that they have little time or opportunity to speculate on future developments.

EFT and its future impact on branch banking are on the minds of most bankers today, said J. C. Whitehead, president and chairman, Bank of Mississippi, Tupelo. Mr. Whitehead is a past president of the Mississippi Bankers Association.

"In speaking of EFT," he said, "we must remember that we are talking about a new method of performing an

(Continued on page 58)

Equipment Suppliers See Changing Role

ACCORDING to a major bank equipment supplier, EFT has eliminated the need for banks to build new offices to provide convenient service to customers. This is the opinion of Thomas H. Woods, director of marketing, Mosler Teller-Matic Systems Division. Mr. Woods and representatives of other equipment suppliers were asked how they felt EFT would affect the bank equipment supply industry.

Mr. Woods adds that, as a result of EFT's influence, new construction and extensive remodeling of banks is depressed and this has resulted in a decrease in the demand for building-related banking equipment, such as vaults and deposit boxes. He says he expects this trend to continue and possibly accelerate.

More and more of Mosler's products are electronic in nature, says Mr. Woods, and the development of new products and the demand for them will conform to this trend as EFT systems develop. This will result in a decrease in demand for traditional products, but not their disappearance from the scene.

Challenges bank equipment supply firms face in view of increased competition developing due to EFT include a change in orientation for such firms to become more systems oriented, Mr. Woods says. Formerly, traditional sup-

(Continued on page 76)

Space Allotment Changes Expected by Builders

ACCORDING to bank building specialists, the implementation of electronic funds transfer services will have the following impact on bank construction: Space allotments will be altered to allow for EFT equipment, the size of future branches and facilities (perhaps even the main office) will be reduced, data processing centers will be incorporated into banks and there will be a decline in lobby-teller activity.

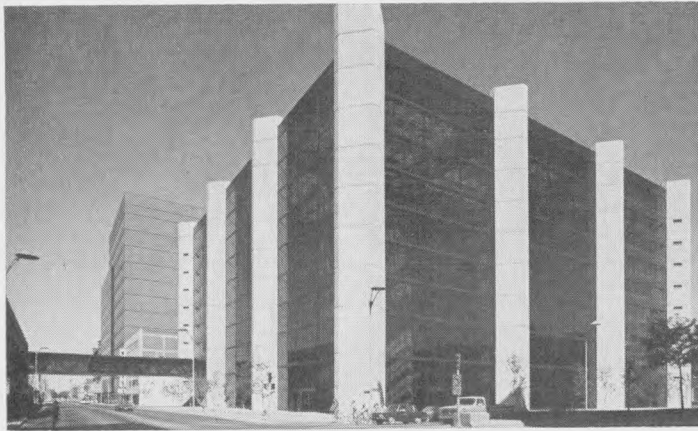
Certainly, the builders state, EFT will not replace new manned bank facilities in the future.

"For those banks that can commit the necessary capital, manned facilities will still be built," said a spokesman for Bank Building Corp., headquartered in St. Louis. "Some of these facilities may be smaller than those that have been built in the past and they may use some form of EFT, such as automatic teller machines, to help carry peak business loads and to extend business hours," he said.

Bank Building officials don't see any significant decline in construction of new manned facilities over the next few years because bank customers tend to choose the manned teller window over a machine when given the choice.

"Any bank that goes strictly with an unmanned facility is likely to suffer competitively against one that decides

(Continued on page 54)



LEFT: Exterior of Fourth Financial Center, home of Fourth National, Wichita. Enclosed pedestrian bridge at I. connects bank with adjacent garage; was specified by top management during planning stage.

RIGHT: Unusually designed board room at Bank of Springfield, Mo., was influenced by top management.

Top Management's Concepts of Building Determine Character, Utility of Bank

ALTHOUGH bank senior management approves plans for a new building or remodeling program, just how much input does the top echelon give to providing ideas and concepts for such a project?

The final product is almost always a combination of suggestions from bank planners, builders, architects, etc.; yet bank management often brings basic concepts to the planning table because top executives are in the position to know what is needed in a new building or remodeling project.

This point is brought home in the experience of planning for the construction of Fourth Financial Center, Wichita, block-square home of Fourth National Bank.

According to Jack N. Allen, vice president, bank management had the following design objectives for the center—objectives that were incorporated into the plans by designers and architects:

- Convenient customer parking, accomplished by construction of a 450-car garage adjacent to the building and connected by an enclosed pedestrian bridge.

- A lobby with all customer services concentrated in one area, including safe deposit vault.

- A functional and highly secured data processing area.

- Functional operation areas with

By **JIM FABIAN**
Associate Editor

adequate expansion capabilities.

- An auditorium large enough for staff meetings that could also be used by customers, civic organizations and tenants.

Any one of these broad objectives, if omitted from the plans, would have resulted in a project lacking some of the necessities of efficient and economi-

cal banking operations.

Similarly, when the top officers of Harris Trust, Chicago, were giving thought to the makeup of the bank's newest building, a 38-story bank and office tower, they decided:

- To erect a building consistent with the bank's other buildings and the other buildings in Chicago's financial district.

- To maximize the site to 38 floors and to avoid building a "needle-like" tower.

According to a Harris Bank spokesman, architectural consistency was an important management goal because the new building connects with the bank's existing 21- and 23-story headquarters complex. With the new structure, the bank's combined facilities extend a full city block and represent a highly visual reminder of the bank's growth and expansion.

The new tower was designed with an eye to the bank's present and future space needs. Harris personnel occupy 10 floors of the tower with the remaining 28 floors allocated to rental space or to housing of mechanical equipment.

Top management at First National, Tulsa, had definite ideas about what it wanted in its 41st floor board room, and that was sophisticated audio/visual aids.

The result is that the board room is dominated by a wall-sized projection



Top executives of Harris Trust, Chicago, influenced esthetics of bank's new 38-story tower building.



New mini bank and drive-in complex was idea of building committee appointed by top management of First Victoria (Tex.) Nat'l.

screen rather than a huge director's table.

During board meetings, financial graphs and bar charts are displayed on the screen to depict pertinent information such as expenditures, income, trends and comparisons. The visual aides are indispensable tools, officials state, because they display more information in less time than other means of dispensing information.

The bank also has a 250-seat public auditorium that is heavily utilized throughout the year. Among the audio/visual capabilities in the auditorium are sound recording and playback, lighting controlled from the lectern and a soundproof projection room.

The input of management of smaller banks is less imposing, but equally important to the satisfactory operation of the bank. Officers of Peoples Bank, Madisonville, Ky., had a simple demand—more space. The bank was bulging at the seams and a new addition was needed to double the available space. The new addition provided space for audit and trust department offices, a new vault for safety deposit boxes, a new board room and meeting area, and even an employees lounge. A community area was also added, which shows that bank management had the best interests of the community in mind when planning its building project.

Senior management of Bank of Springfield, Mo., had the following objectives in mind when it planned the bank's unusual inverted pyramid six-story building:

- An external design that would be unique in the community while providing a high degree of functional utility.
- A high degree of visibility for the bank.
- A parking garage that would be convenient and that provided a covered passageway from the parking area to the bank.
- Conveniently positioned board and meeting rooms.

Management of First Victoria (Tex.) National knew it needed an expanded drive-in area, so its members began collecting articles and illustrations from various publications that described the newest methods of handling drive-in

transactions. The members also made inspection trips to newly opened drive-in installations in the area.

Then a building committee was formed to work with the bank construction firm that would produce the building. It was decided that a mini bank should be included with a walk-up lobby, four stations for commercial customers, 2,500 square feet of operations space and reserved parking space for commercial customers. The drive-in portion of the facility has nine stations, a drive-up night depository box, direct-vision equipment for customers and a large canopied area for waiting customers.

Management of Security National, Kansas City, Kan., decided that customer convenience was the number one objective for its new bank, now under construction across the street from its present location on the mall in KCK.

Customer convenience was translated into easy access from the street and off-street parking, after-hours walk-up windows, a comfortable interior atmosphere, a separate loan department, a community meeting room, easy access to all customer areas (with special con-

sideration for customers in wheelchairs) and privacy for confidential business conducted by customers.

Every department head in the bank was asked to contribute ideas for the plans and valuable input was obtained that sometimes altered the preconceived ideas of management. It was a case of asking the advice of the people who did the work.

For instance, the wire transfer department was scheduled to be placed on the third floor of the new building, but its supervisor said the department worked closely with the bond department and the two units should be located adjacent to each other. Even a planned wall between the two departments was eliminated so that operations would not be hindered in any way.

The bank will place its personnel department across from the entrance to its new board room so that job applicants will be impressed with the elegant atmosphere of the board room area.

The transit and bookkeeping departments will have moveable walls so that future expansion will not be difficult.

Bank builders emphasize the importance of top management formulating concepts of how the bank should be laid out. This input by management, combined with the experience and broad knowledge of bank construction specialists, can be combined to ensure a new bank building that is practical to operate as well as pleasing to look at.



Future home of Security Nat'l, Kansas City, Kan., plans for which were extensively influenced by bank management.



COVER PHOTO: Warm colors greet visitors to lobby of Plaza First Nat'l of West Port (formerly First Nat'l of Wellston, Mo.). At left is large, four-sided information desk. In background is tapestry that was designed and handmade especially for bank. Executive offices (not shown) are off to left background.

New Building For Suburban



THE NEW HOME of Plaza First National Bank of West Port in western St. Louis County, Mo., is located in a vast industrial and residential area with an open and modern appearance to the architecture. The building's design emphasizes this open appearance and expresses the vast and modern feeling of the area. The bank was formerly First National Bank of Wellston, Mo.

The new building was designed and built under contract by the Bunce Corp., St. Louis, a construction management company which specializes in financial institutions. The architect was Berger Field Torno Hurley Architects, Inc., also of St. Louis.

The structure's exterior is of glass curtain-wall construction with solar mirror bronze tempered insulating plate glass that complements the nearby Plaza Tower. Both buildings' exterior walls reflect clouds and sky, reinforcing the wide-open-space feeling.

The open feeling continues inside, yet the interior designer, Bill Bliss of the Bunce Corp., also has created an effect of quiet warmth and sophistication. The parquet floors, woodwork, information counter and tellers counters are of custom-designed, handmade red oak, hand stained and finished. The tellers counters are accented by solid-brass deal plates. The tapestry on the wall behind the tellers section was designed and handmade in Puerto Rico, especially for the bank. Its colors both match and complement the bank's overall color scheme.

Desks in public areas are custom made of oak finish to match the woodwork. Guest chairs are covered in a wool fabric imported from Germany.

The open theme continues in the

bank officers' area, where handsome floor-to-ceiling glass walls separate the officers and provide privacy for their customers. The hounds-tooth-checked cork wall covering in the executive offices was handmade in Thailand. In the board room, wall coverings are of imported bark from Portugal and brushed wool.

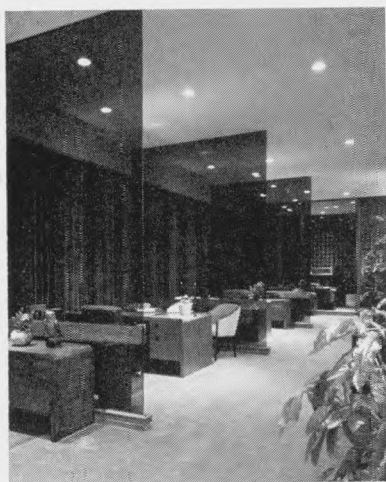
At the drive-up windows, supplied and installed by LeFebure Corp., Cedar Rapids, Ia., two tellers—sitting instead of standing—can serve four lanes through full automatic pneumatic-tube systems. The lane nearest the tellers is reserved for commercial accounts with large and multiple transactions. As a vehicle approaches the area, it runs over a sensor, which signals the teller immediately. There are two lighted night depositories, one in the drive-up area and the other at the building entrance.

The cash vault door on the first level and the safe deposit vault door on the lower level, both manufactured by LeFebure, are steel reinforced concrete with 18-inch-thick walls, floor and ceilings. Featured are LeFebure's newly designed cameras that use 70mm film, which provides much larger coverage and produces clearer pictures than such cameras did previously.

A large employees' lounge, kitchen and bookkeeping department are on the lower level.

The bank occupies the lower two floors of its new building, with the upper two floors available to tenants.

The building lobby is highlighted by an open circular staircase three stories high, Winona stone, parquet floor, oak paneling and a large expanse of glass combined, to leave the viewer with a feeling that the Plaza Bank is here to stay. • •



TOP: Plaza Bank's new home at West Port Plaza in western St. Louis County is of glass curtain wall construction that reflects sky. Structure was erected by Bunce Corp., St. Louis.

CENTER: Warm colors, comfortable chairs and parquet floors and carpeting make inviting combination in new home of Plaza Bank.

BOTTOM: Floor-to-ceiling glass walls separate officers' desks in new Plaza Bank building. At far right is President Dale Boughton's office, which features walls covered with hounds-tooth-checked material made in Thailand.

and New World St. Louis Bank



WHAT WOULD be your course of action if your bank building were outmoded, if your trade area had deteriorated steadily over a number of years and if the best appraisal of your market area said: extremely small chance of improvement, now or in the near future?

Relocate?

A logical decision and one that was reached by officials of First National, Wellston, Mo., as they took stock of their situation in 1971. The bank had been located in Wellston since it opened as the Wellston Bank in 1902. However, those were better times, and there were many good years in between. But in the 1970s, relocations of businesses, shifting of residential areas, decay of buildings and a generally lethargic attitude in the area signaled a need for a change. The bank's management decided to move the institution to another part of St. Louis County if regulatory authorities would approve the move.

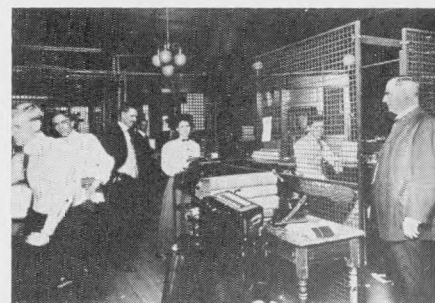
Wellston, once one of the prime shopping areas in the northwestern suburban area of St. Louis, began a slow decline after World War II that undoubtedly was accelerated by the proliferation of the automobile. The area once was a transfer point for trolley cars to points inside and outside St. Louis. As the auto diverted shoppers to other areas, the trolleys, which once carried standing crowds to the countless shops that lined Wellston's busy streets, brought fewer and fewer shopping dollars to the area.

The result was inevitable: First, a few shops closed, then others, then the residents moved out. As the city's residential and business makeup changed, many of First National's patrons, particularly women, became hesitant about going to the bank and conducted their business mostly by mail. The bank had to hire extra security guards for its lobby and parking lot.

There were more than physical drawbacks to the Wellston location: At year-end 1974, First National's deposits totaled \$27 million, less than the \$27.5 million reported at year-end 10 years earlier. Deposits did rise to a high of \$32.5 million at year-end 1968, but they began their descent after that.

During this same decade, 1964-74, most other St. Louis County banks' deposits were increasing. Total St. Louis County bank deposits rose from \$21.5 billion at year-end 1964 to \$66.4 billion last year-end, based on figures supplied by the St. Louis Federal Reserve Bank.

The bank's loan-to-deposit ratio went from 59.4% at year-end 1964 to 62.2% at the end of 1970, but plummeted to 45.3% last year-end. Earnings per share did go up—from \$10.15 at year-end 1964 to \$17.83 at year-end 1974, but this latter figure was nearly \$10 a share less than the \$26.44



TOP: Former home of Plaza Bank (then First Nat'l of Wellston) shows signs of age. Flatbed truck at right transported safe deposit boxes to bank's new location.

CENTER: This was interior of Plaza Bank's former home in Wellston. Note high ceilings, tellers "cages" and marble floors.

BOTTOM: How much banking and bank buildings have changed can be seen in this photo taken early in century at First Nat'l of Wellston.



TOP: In drive-up section of Plaza Bank, tellers sit down while serving customers. Drive-up equipment was supplied by LeFebure Corp., Cedar Rapids, Ia.



BOTTOM: Safe deposit department in Plaza Bank's lower level contains large booths and vault. LeFebure is manufacturer.

The architecture is mostly Swiss Alpine.

With the move last April to West Port Plaza, First National changed its name to Plaza First National of West Port and generally refers to itself as Plaza Bank. West Port Plaza was chosen first of all because it was being developed by the White Development Co., whose chairman is Thomas J. White. Mr. White owns controlling interest in and is chairman of Plaza Bank and of Plaza National Bancshares, Inc., the one-bank holding company of which the bank is a subsidiary.

The bank's decision to move there was reinforced by outside firms' studies, which showed West Port to be a fast-developing area of merchants, homes, commercial establishments and warehouses. In fact, at the time the bank applied for permission to move, the surrounding area was described as one of the fastest-growing residential areas in Missouri, with a good mix of apartments, condominiums and single-family dwellings.

Another reason for going to West Port Plaza was that the bank's closest

counts a month. According to Mr. Boughton, deposits have been coming in at the new location at the rate of around \$500,000 a month. In addition, he said the bank probably has been opening one savings account for each new checking account. However, because the bank lost a school district account when it moved, its deposits are at about the same level as they were a year ago.

Mr. Boughton added, though, that—despite all the expenses connected with the move—the bank will show a profit for the year.

As far as the bank's loan business is concerned, Mr. Boughton said that the quality of loan applicants has improved at the new location, and the bank now makes a substantial number of business loans and has doubled its consumer-loan portfolio. In fact, he said, the bank has switched its emphasis to commercial and consumer loans from real estate lending, which was stressed at the Wellston location.

The move to West Port Plaza has enabled Plaza Bank to expand not only

reported at year-end 1970.

There was and still is another bank in Wellston, but evidently the city just could not support two banks. In fact, the other bank, a state-chartered institution, reportedly maintains its deposit growth by seeking and getting business from outside its trade area—from around St. Louis County and the state of Missouri.

It probably was because Wellston has another bank that First National encountered little local opposition to its proposed move. Only one representative of the city, a councilman, raised an objection at hearings held by the Comptroller's Office in Kansas City a year after First National had petitioned for permission to move.

Opposition did come from three banks located within a 2½-to-five-mile radius of First National's planned new location, West Port Plaza in western St. Louis County. However, their objections were found not valid, and permission to move was granted.

West Port Plaza, about 12 miles from Wellston, is a 42-acre business-entertainment community made up of offices, shops, boutiques, restaurants, night clubs, discotheques, two cinemas, the Sheraton West Port Inn and a four-acre lake with a 70-foot-high waterspout.

banking competitor was 2½ miles away; whereas, in Wellston, the competing bank was just a short block away.

Plaza Bank's president, Dale Boughton, said the move has been beneficial. In Wellston, its customers included many persons who were on welfare or were receiving food stamps. Such clientele produced little savings business, and their demand deposits were highly volatile, sometimes remaining in the bank only a day or two. As Mr. Boughton pointed out, such accounts resulted in a lot of paperwork. Now, at West Port Plaza, customers are mostly white collar and professional people, whose deposits are stable and require less paperwork than was needed in Wellston.

Mr. Boughton illustrated this difference by saying that at the end of last August—4½ months after the move—the bank had realized a gross increase of 50 business checking accounts a month and 500 personal checking ac-

counting, but in services, too. For instance, the bank now has a trust department, which it did not have in Wellston. There are no service charges on personal checking accounts, and the bank offers Saturday hours, overdraft checking, an expanded savings program, daily interest on savings, lock-box service and a large parking area. The bank has its own computer system to allow development of more services in the future, perhaps including automated teller machines.

The building itself has been designed so that it can be enlarged easily, and the safe deposit area has the potential of tripling its space.

In other words, Plaza Bank has, in just a few months, become a vital part of its new area. What's more important, the long-range plans its management is making indicate that the bank hopes to be at West Port Plaza much longer than the 72 years it was in Wellston. • •

First of Wellston's Last Decade Before Changing Locations

	1964	1966	1968	1970	1972	1973	1974
Gross Deposits							
(In Millions)	\$ 27.5	\$ 29.2	\$ 32.5	\$ 28.9	\$ 28.1	\$ 25.8	\$ 27.0
Indicated							
Book Value . . .	\$122.27	\$128.42	\$153.00	\$185.00	\$203.00	\$214.00	\$225.00
Indicated Earnings							
Per Share	\$ 10.15	\$ 5.97	\$ 20.62	\$ 26.44	\$ 14.10	\$ 17.06	\$ 17.83
Ratio of Loans							
To Deposits . . .	59.4%	60.5%	56.4%	62.2%	48.3%	47.3%	45.3%

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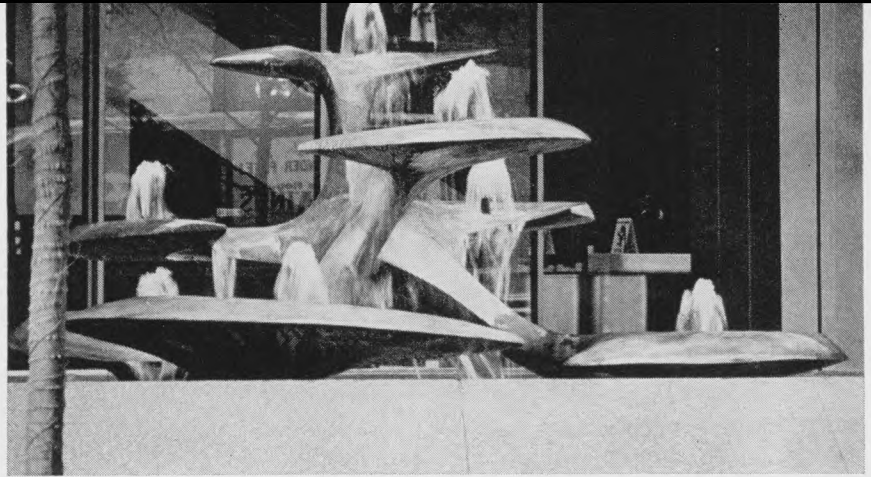
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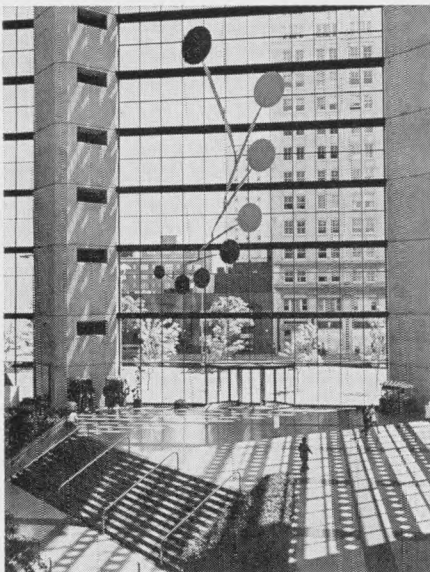
Exterior of Bank of Miami's building is highlighted by abstract mural in high-relief ceramics that extends almost full height of 12-story structure.



This large bronze combination sculpture and fountain is located in public plaza in front of Harris Bank of Chicago's new 38-story bank and office tower.

From Banners to Trees, 'Conversation Pieces' Add to Banks' Decor

By ROSEMARY McKELVEY
Managing Editor



Fourth Financial Center, Wichita, has 47-foot-high Alexander Calder mobile, which is suspended from 130-foot-high skylight ceiling of structure's courtyard.



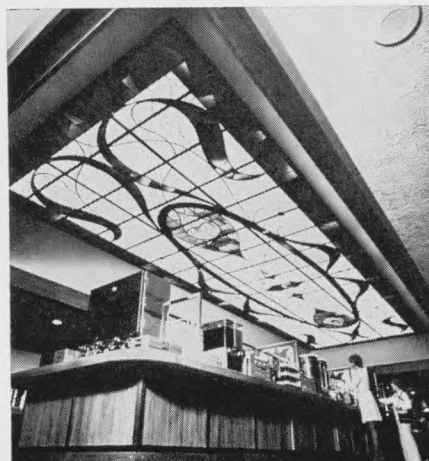
First Nat'l, Little Rock, installed large, movable banners in lobby of its new building. Their design represents migrating birds of Arkansas.

MORE AND MORE in recent years, bank building and remodeling projects are including such extras as live trees in lobbies, artistic banners, sculptures, symbolic murals, fountains and waterfalls. None of these things is a necessary part of banking. However, they do produce intangible benefits by helping to create a warm and friendly atmosphere in which bank employees may work and bank customers may transact their business. They can become focal points or "conversation pieces" in a bank.

Examples of these unusual acces-

sories may be found in First National of Little Rock's new building. In the lobby, large, movable banners—whose design represents migrating birds of Arkansas—hang from the ceiling. Sheila Hicks, the American artist who created these "textile sculptures," used a variety of techniques, including weaving, knitting and wrapping. The banners follow the medieval style: Each

Stained-glass, brightly colored ceiling window illuminates subterranean cafeteria in corporate headquarters building of Security Pacific Nat'l, Los Angeles.



"Icarus," Grecian mythological figure, is depicted trying to flee from Crete in six-foot-tall sculpture in main lobby of Tulsa's First Nat'l Tower.



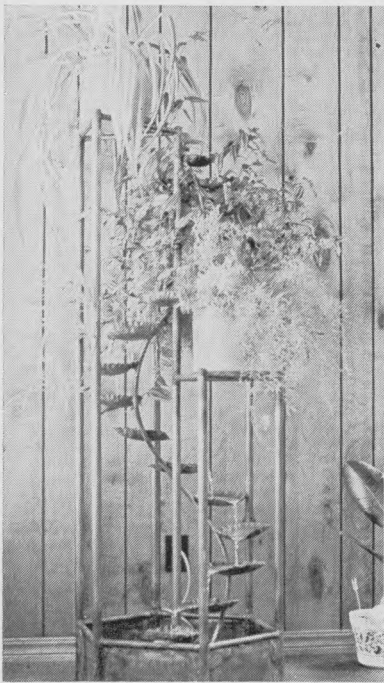
This mural in employee lounge of First Nat'l, Independence, Mo., is called "Company Picnic."

group consists of two banners hung back to back, separated by a golden banner.

In discussing her work, Mrs. Hicks said, "Architectural art somehow should emanate the personality of the inhabitants . . . therefore, the monumental and architectural are based on human ties."

Mrs. Hicks was engaged to create the banners after her work had been seen in Europe by B. Finley Vinson, the bank's chairman, and Mrs. Vinson.

The focal point in the newly remodeled Walnut Street lobby at Commerce Bank, Kansas City, is a large weeping Java fig tree. It's located in the southeastern corner of the escalator well and stands almost 16 feet in height. Another lobby feature is a luminous skylight ceiling, replacing the original massive overhead chandelier.



Galena Office of Bank of Crane, Mo., was given copper planter by customer. It features "leaves" down which water trickles.

The new ceiling, said a bank spokesman, provides better lighting and creates a feeling of spaciousness.

Two full-grown trees grace the lobby of the new building of Peoples National, Burlington, Kan. Although the ceiling is high, the trees just about touch it.

A large bronze combination sculpture and fountain rises from the 5,100-square-foot public plaza in front of Harris Bank of Chicago's new 38-story bank and office tower. The work stands 6½ feet high and, with its massive red granite basin, weighs 19 tons. The fountain-sculpture, designed by Russell Secrest, Petoskey, Mich., is heated to assure its operation even through the winter months. The artwork provides a contrasting touch to the businesslike LaSalle Street financial district and—according to a bank spokesman—has drawn considerable attention for its graceful lines and soothing effect.

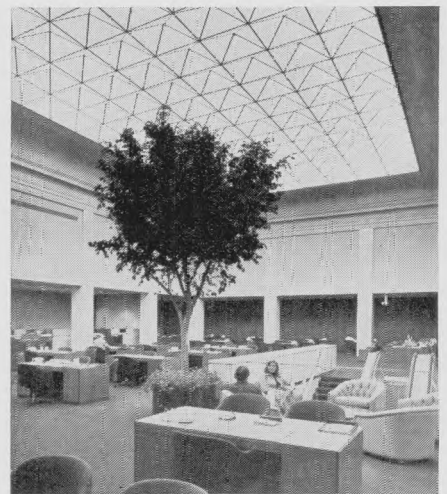
A representation of a Grecian fantasy has been installed in the main lobby of Tulsa's First National Tower, the 41-story home of First National. The six-foot-tall bronze sculpture, entitled "Icarus," depicts the artist's conception of that mythological figure's escape from Crete on wings of wax and feathers. The flight was doomed because Icarus flew too near the sun de-

TOP: Arizona copper screen sculptures are both beautiful and functional in their location behind main teller line in main lobby of First National, Phoenix. They conceal clerical work areas.

SECOND FROM TOP: First of Arizona recreated bank of state's territorial days for its History Room. Included are authentic bank counter and brass grillwork, rolltop desk and spittoons.

SECOND FROM BOTTOM: Newly remodeled Walnut Street lobby at Commerce Bank, Kansas City, features large weeping Java fig tree and luminous skylight ceiling.

BOTTOM: Two full-grown trees complement decor of new building of Peoples Nat'l, Burlington, Kan.



spite warnings from his father, Daedalus.

The sculpture was created by Michi Raphael Bishop of Gillette, Wyo. The piece was fabricated in three separate pieces of wax impression at Modern Art Foundry, New York City. It's mounted on a three-foot-tall travertine marble base.

A Calder Mobile

Another lobby focal point is the 47-foot-high Alexander Calder mobile at Fourth Financial Center in Wichita, home of Fourth National. This original sculpture is suspended from the 130-foot-high skylight ceiling of the structure's courtyard. The aluminum and stainless steel work contains eight pieces that were assembled at the site and hoisted into place last March.

Titled "Mobile Fait d'Démontables" ("Collapsible Elements"), the large, heavy-gauge aluminum discs are scaled in size and colors of red and yellow, delicately engineered to balance at a lofty point suspended from a steel cable. The entire mobile weighs about two tons, and the suspension mechanism has been pre-designed as part of the building's original steel structure.

The mobile was constructed under

Mr. Calder's supervision in his Biemont ironworks on the outskirts of Tours, France. He also has an ironworks at Waterbury, Conn. Mr. Calder is credited with the invention of the mobile art form and the new "stabile" art form.

This Wichita mobile reportedly is the largest mobile created by Mr. Calder.

Material indigenous to Arizona was used in three copper screen sculptures that stand behind the teller line in the main lobby of First National of Arizona, Phoenix. Architects for the First National Bank Plaza and FNB officials wanted a work of art that would be representative of the state, and so San Francisco sculptor Aristides Demetrios chose to work in Arizona copper to create an abstract representation of the state's topography. The three works symbolize the Grand Canyon, Monument Valley and the lesser-known hills and valleys of Arizona. Each panel is 10 feet, seven inches wide, 10 feet, seven inches high, 12 inches deep and weighs 2,000 pounds. The panels consist of one-eighth inch copper plating, welded together with silicon bronze, mounted on steel frames. The color variations are the result of different temperature levels reached during the welding process.

Functional as well as beautiful, the

screens conceal clerical work areas behind the teller stations while preserving the spacious atmosphere of the main banking pavilion.

First National borrowed from an earlier era for another conversation piece—an authentic re-creation of a portion of a turn-of-the-century "Territorial Bank" for its History Room. This is a replica of what Arizona banks looked like 75 years ago and includes an authentic bank counter and brass grillwork, roll-top desk, a typewriter from 1882, gold scales, spittoon and an old clock. Also on display are old journals, records and ledgers.

The "Territorial Bank" idea was the brainchild of a woman director, who thought it would be educational and interesting to show people what banks were like in the state's territorial days.

The focal point at Bank of Miami in Florida is an abstract mural in high-relief ceramics that extends almost the full height of the 12-story building. Including the low relief portions of the design, it covers a total of 1,834 square feet of space. The vertical sculpture consists of a combination of discs and rectangles penetrated by space and joined by vertical masses of material interrupted by short horizontal lines.

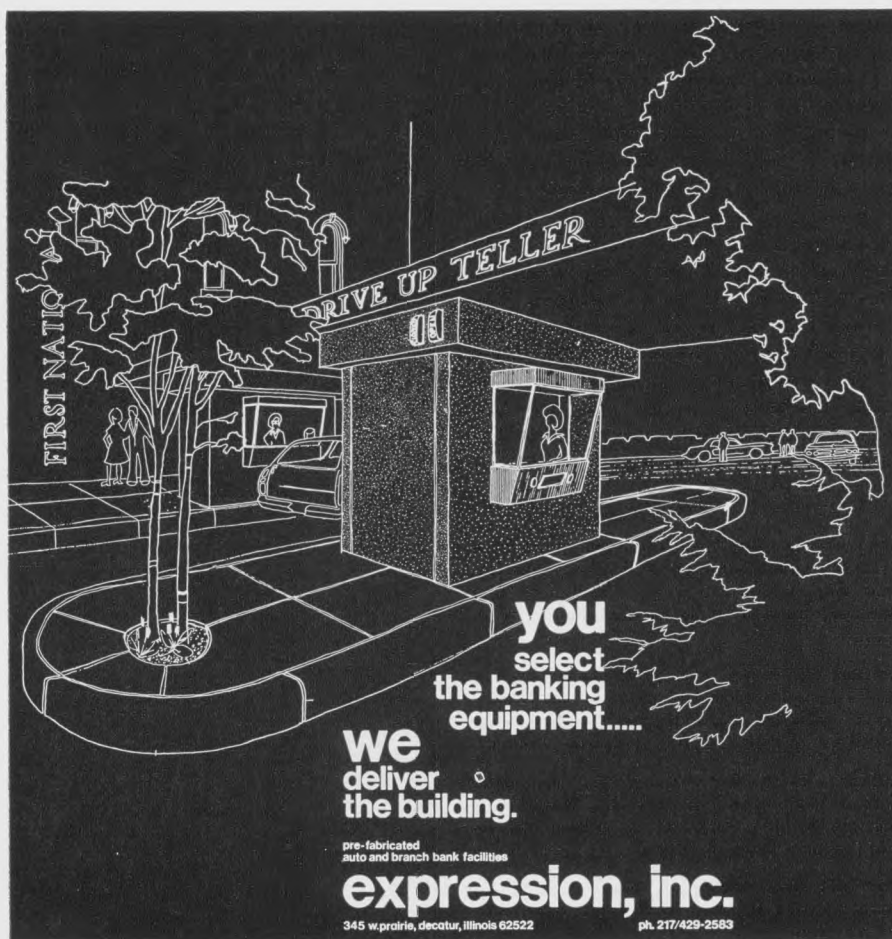
A Symbolic Creation

The discs and rectangles are symbolic of the coins, checks and bank notes that are a part of the daily operation of a bank. The work's creator, José Maria Gual Barnadas, interprets the flow of the other artistic elements in the mural as suggesting the role Bank of Miami plays in serving "as a connecting link or lubricant that enables the wheels of industry and commerce to mesh without clashing."

The sculpture's colors, predominantly brown and tan with smaller areas of yellow, red and blue, are suggested by the shores and beaches of Miami and southern Florida, according to the artist.

The work was put together by Art Studios Raventos of Barcelona, Spain, which specializes in architectural art. Its ceramic sculpture department is headed by Mr. Gual.

These conversation pieces don't always have to be in bank lobbies or on building exteriors. For instance, Security Pacific National, Los Angeles, installed a beautiful stained-glass window in the ceiling of the subterranean cafeteria in its \$110-million corporate headquarters building. The window is a new, original design by a member of the staff of Albert C. Martin & Associates, architectural firm for the new Security Pacific Plaza. The window's



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Still tell him to call Talcott.

leaded panes are in bright shades of red, yellow, blue and purple. Lighted from behind, it adds a feeling of openness to the underground area.

Bank of Crane, Mo., has a beautiful conversation piece in its Galena Office thanks to a customer, Lee Robertson. It's a hexagonally shaped copper planter of modernistic design featuring "leaves" down which water trickles.

A mural, simply titled "Company Picnic," adorns one wall of the employee lounge at First National, Independence, Mo. It was done in basic pastel colors on a light yellow background by Matthew A. Monks, a Missouri artist who teaches adult classes at the Kansas City Art Institute. Mr. Monks recently was given permission to do a painting of the Harry S Truman home in Independence, and copies of this painting were made available for sale at the Truman Library, also in Independence, with all proceeds going to the library fund. Mr. Monks also has painted the south portico, or Truman balcony area, of the White House in Washington, D. C. • •

Space Allotment

(Continued from page 43)

to set up a full-service manned facility in a similar location," the spokesman said.

A bank cannot open new accounts on automatic teller machines, a factor that is an important consideration when outlining marketing strategy. A bank must attract new depositors as well as retain existing ones, the spokesman said.

"Based on everything we've seen so far, there remains a compelling argument for well-located, attractive, manned facilities," the BBC official said. "The image of a facility and the warmth of the individuals who man it provide the most potent drawing card for any financial institution. EFT must mesh with these considerations, not supplant them."

According to Peter H. Bunce, president, Bunce Corp., St. Louis and Kansas City, changes brought about by EFT will not reduce or increase the amount of construction performed, but will change the way certain bank spaces will be designed, since their use will be different.

For example, he said, the operations space in the bank will become more of a processing space and less of a storage space. The vast amounts of paper presently being processed require storage before, during and after processing.

EFT equipment will eliminate the need for this storage space, making it possible to reduce the operations area size.

Countering the tendency for reduction of space will be the pressures of growth, he said. The consequence will be more space than present-day banks use, but less than would have been needed without EFT.

However, he continued, the square-foot cost of construction will tend to be higher.

Mr. Bunce said the nature of branches may change somewhat, but wherever a bank seeks new customers, branch buildings will be designed for strong identity, exposure and attractiveness to customers.

Edward F. Bavis, president, E. F. Bavis & Associates, Indianapolis, said that EFT will reduce the size requirements for future branches. He advises that floorplans be made to reflect the prospect that significant changes can be expected to occur in the areas of functions and equipment. One such change can be to move the vault from the center of a building and make teller counters on a modular basis so that possible future changes brought about by EFT can be made at reasonable cost.

Mr. Bavis recommends the use of modular buildings because they offer more flexibility. He says they usually can be moved, should that be necessary, and that about 80% of the building price can be salvaged.

As the use of remote automatic teller machines increases, there will be a growing demand for the allocation of office space to be used for data processing centers, said James E. Elias, president, James E. Elias & Associates, Chicago. In addition to the increased cost of expanding management, programming and operations spaces, construction budgets will rise to accommodate the expensive environmental and emergency systems necessary to protect sensitive data centers.

He also said that bank buildings may

become less oriented to the public with the implementation of EFT because the importance of a teller-lobby area will drastically decrease.

As this change comes about, he said, some banks may choose to take advantage of lower real estate prices away from downtown areas to house their operations facilities.

Although bank buildings in the future will resemble those in existence today, Mr. Elias said, "we anticipate a significant change in the mix of their functional spaces."

Louis G. Schilly, vice president, Ste. Genevieve (Mo.) Design & Building Corp., said that a decline in lobby-teller activity will undoubtedly occur with EFT but this decline will not noticeably affect the overall space requirements of a bank. This is because basic banking services will be conducted within the confines of a bank building for some time to come.

John A. Mayes, president, Financial Facilities, Inc., Glen Ellyn, Ill., states that EFT may reduce the size of the building of the future and it may reduce the number of employees necessary to run a bank. But, he cautions, any savings realized by the reduction in employees will be reversed by a larger investment in equipment.

Mr. Mayes doesn't think EFT will result in economies in the long run, even though there might be some in the short run. Even though a bank's expenditures will be in different forms, he says, eventually there will be a need for more buildings and space for operations.

"I don't think we're going to become an industry of computers, talking to people mechanically," he says. "I still think that, in the long run, we are going to have people talk to people." This means, he says, that EFT will not be as large an influence on banking as may be expected at this time in its development.

EFT, as visualized by Robert L. Schutt, president, Bank Consultants of America, Denver, will ultimately mean fewer bank employees. This is particularly true of the lobby and teller traffic, an area which now occupies a substantial portion of the bank.

Mr. Schutt anticipates that the growth of lobby traffic will not be proportionate to the growth of the bank as it has been historically viewed. There may be some increase in activity in the bookkeeping area, he said, but this will not result in a comparable demand for bank space.

Mr. Schutt sees a continuing increase in the bank service activities area, which will mean more officers and special service employees, as well as more furniture and related equipment. • •

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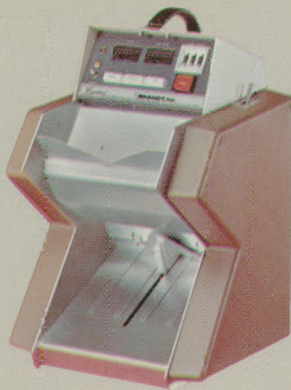


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
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Expansion of Services

(Continued from page 43)

old service. There is no doubt that the new method will contain improvements. Speed, accuracy, reduced cost and greater availability will accrue to the payment process. These improvements will permit more people to participate in the utilization of bank services. It is within this light that we feel that EFT will be one of the many positive factors in the future development of a more modern branch banking structure."

Mr. Whitehead sees EFT as evolving in a form that will be accessible by all banks, just as bank automation and credit cards have evolved. Thus, he said, no banks will be excluded from EFT, unless they choose to be excluded.

Mr. Whitehead sees EFT as a way of extending banking hours into the evenings and weekends. However, he said, "we see manned branches serving in the future as the tool in developing initial customer relationships. We do not feel we can install unmanned EFT facilities in competition with the manned facilities of our competitors or go outside our market area with terminals and expect to capture new business commensurate with the cost involved."

He said he sees banking of the future based upon personal relationships developed through manned branches and partially served through EFT services.

Smith W. Brookhart III, president, Peoples Bank, Branson, Mo., said there is little question that statutes will have to be changed due to the restrictive interpretations by some states that an EFT terminal represents a form of branch. He said it will be necessary for a differentiation to be made between an electronic terminal as a branch and a people-manned office as a branch.

EFT of itself should not destroy the current unit banks, he said. The electronic terminal cannot serve all the financial needs of the general public

and thus the continued need for manned facilities will exist.

"I don't believe any bank will be able to enter a totally new market area with only an electronic terminal," Mr. Brookhart said. "Thus, brick-and-mortar buildings will continue to be needed, possibly on a smaller size scale than at present."

Mr. Brookhart said he believes banks will use shared EFT terminals at an increasing rate to handle the volume of transactions that will be required with EFT, because EFT appears to be the only way to reduce paper volume on a large scale. He said shared terminals will prove to be the most economical means of providing transaction-type services to the general public. "Terminals could possibly reduce the entry of new charters into a market because existing banks could serve the needs of the market with shared terminals."

He said various laws inhibiting EFT will be changed to allow its development and expansion as technology evolves.

EFT will exert strong pressure on branch banking statutes but it won't be the death-knell of unit banking, said John F. Geis, senior vice president, First Security National, Beaumont, Tex., and a past president of the Texas Bankers Association.

He said that the pressure exerted by EFT will cause a major change in banker attitudes and that there will be considerable effort by banks to remain on an equal basis with their primary competitors.

He said he couldn't see how the use of point-of-sale terminals could be construed as branch banking, especially if the terminals are shared.

He said that the average bank customer readily accepts the use of automated machines for normal types of transactions, but that bankers have not fully bridged the gap in customer understanding of the totally automated entries without the type of paper receipt and/or paper check that the consumer is accustomed to. He predicted that it will take from three to five years before customers are willing to accept paperless entries without reservation.

Mr. Geis said the development of EFT is essential, if for no other reason than the sheer volume of paper entries which continues to increase at alarming rates.

No significant continued expansion of traditional branches or facilities is seen under EFT by Eugene F. Everett, president, Union National, Springfield, Mo. Rather, he said, he sees an extension of banks' services by means of shared point-of-sale terminals, automated on-line teller units and economical loan production offices. This type of expansion will begin in metropolitan areas, he said, and spread to smaller communities as customer demand dictates.

Although details of future economic and technological requirements that will change banking structure are vague, he said, "we can be certain that financial competition will intensify significantly."

Mr. Everett said that bankers will have to find new ways to prove their worthiness as the custodians and redistribution points for the public's financial resources in the EFT-era.

C. Carroll Pierce, president, First National, Opp, Ala., said that EFT will lessen the volume of payments by check substantially enough for the payments system to function properly for many years. He said he does not visualize a checkless society within the next decade, however, and that EFT will never be the death-knell of unit banking. • •

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CANTON, O.—Diebold, Inc. has announced that it will make its complete line of security systems equipment and bank customer service equipment available to customers on a lease basis, as well as on its traditional direct-sales basis.

Company officials believe the move will have many advantages. Regulations governing the amount of assets financial institutions can accrue and budgetary disciplines faced by all businesses often make leasing desirable, Diebold reports. In certain cases, a company spokesman says, leasing also can generate a more efficient utilization of cash flow.

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Construction Loan Monitoring Helps Banks Avoid Pitfalls Of Construction Financing

THERE is a story circulating in California construction circles about a truckload of stoves, refrigerators and dishwashers that appeared at three widely separated construction sites over a 72-hour period only moments ahead of the bank loan monitoring official who inspected the identical appliances at all three sites in approving loan payouts.

While the tale of the traveling refrigerators can't be verified, the personal experiences of construction loan monitoring consultants of Morse/Diesel, Inc., turn up equally horrifying examples of deceptive practices, shoddy design or construction or poorly conceived plans which have victimized construction lenders, often leaving them the owners of properties and buildings of questionable value.

"Building projects fail for a multitude of reasons, but one of the chief culprits is that frequently neither the lender nor the developer or builder possess the level of construction expertise to be able to determine that the total construction program is achievable."

In Dallas, carpeting mysteriously disappeared from seven apartment buildings being converted to condominiums only to turn up later in another project being developed by the same developer. More surprises were discovered when the bank eventually took possession of the condominium development after default, such as indoor-outdoor carpeting installed on all

balconies concealing rotting wood underneath.

In Minneapolis, half of a building under construction on a sloping site had settled more than 12 inches over a year's time. Only half the foundation had been supported by piles, and settling of the other half of the building was projected to continue over a five-year period.

At another Twin Cities condominium development site where the lender had committed to financing for a multi-phase project, Morse/Diesel consultants discovered that the developer's phase two plans would put those buildings in the middle of a swamp.

An apartment building in North Carolina which came under bank ownership had developed alarming cracks in walls and ceilings. Construction loan monitoring consultants discovered that the concrete basement floor had been poured around steel supporting pillars but that the steel pillars themselves rested on a mud base.

The examples point up a serious void in construction financing. While most banks and other lending institutions possess sophisticated capabilities in real estate market forecasting and are able to separate the winners from losers among projects proposed for financing, more projects fail from cost overruns and errors in the design/build process than from lack of a sound real estate marketing concept.

The rising failure rate of construction projects over the last two years has made the void even more apparent.

Even proposed buildings for which the developer has secured major tenants aren't safe from default if construction costs escalate out of control. In San Jose, Calif., an eight-story commercial and office building project was named after its major tenant, Crocker (Bank) Center, and construction financing was by Wells Fargo Bank. When the developer ran short of cash

and the building went into receivership prior to completion, Wells Fargo retained Morse/Diesel to conduct a cost-to-complete analysis and recommendation for completion method. Following the analysis, Morse/Diesel served as construction manager, completing outstanding work in 90 days.

"Building projects fail for a multitude of reasons, but one of the chief culprits is that frequently neither the lender nor the developer or builder possess the level of construction expertise to be able to determine that the total construction program is achievable," observed Richard C. Halpern, Morse/Diesel executive vice president.

At the urging of clients in the banking community, Morse/Diesel in 1974 launched a construction loan monitoring counseling service for lending institutions. With offices in eight cities in this country and overseas, Morse/Diesel is said to be one of the world's largest construction management organizations.

Using construction management systems designed and tested over a period of decades, Morse/Diesel has received recognition for completing Sears Tower, world's tallest building, on time and at .2% under budget.

"A project is out of control when the cost to complete exceeds the reserve in the construction loan fund."

Since introducing the construction loan monitoring service last year, the majority of Morse/Diesel's assignments in this area have been of a rescue nature, a fact Mr. Halpern attributed to prevailing economic conditions in the construction industry.

"A year ago we didn't make much

of an effort to tell people about the construction loan monitoring service, because even though we have applied it successfully to scores of projects that previously had fallen into receivership, the primary benefits of construction loan monitoring are realized when it is first applied at the point when construction costs are most subject to control—at the outset of a project,” Mr. Halpern said.

“A project is out of control when the cost to complete exceeds the reserve in the construction loan fund. At that point, the principal benefit from construction loan monitoring is our ability to provide the lender with accurate cost-to-complete data and a recommendation for proceeding with the original contractor, replacement of the contractor with another or, in some instances, taking over the project and completing it ourselves,” Mr. Halpern said.

In more than 70 projects for which Morse/Diesel has provided construction loan monitoring counsel under “rescue” conditions in the past year, Mr. Halpern said that the firm has recommended that it be given completion responsibility in only two instances.

“Both projects were, in our opinion, beyond the capabilities of local contractors to adhere to cost and completion criteria. In one, El Pomar Trace-Fremont Apartments in California, 39 buildings and recreational facilities in a 527-apartment complex were 42% complete, but 71% of the construction loan fund had been spent,” Mr. Halpern said.

First Wisconsin Mortgage, a subsidiary of First Wisconsin Bank, Milwaukee, was the mortgage holder for El Pomar Trace-Fremont. Morse/Diesel estimated the cost to complete at \$4.5 million; was assigned construction management responsibility and completed the entire project for \$4 million in nine months.

First Wisconsin had prior experience with construction management. Morse/Diesel had managed construction of the bank’s 42-story bank/office building in Milwaukee, tallest building in the state. First Wisconsin Mortgage was among the first to make broad use of Morse/Diesel’s construction loan monitoring service.

In addition to its ability to apply construction management systems and methods, Mr. Halpern said that Morse/Diesel possesses an additional advantage that uniquely qualifies the firm to provide construction loan monitoring:

“We do not have and never will have a separate staff that does nothing but provide construction loan monitoring counsel to clients. Each consultant devotes only a portion of his time to loan monitoring and the balance of his time to serving as a construction manager on one or more projects. In this way, we ensure that the individual who is reviewing construction loan applications, monitoring work and authorizing payouts is working from his own first-hand—current—experience of managing the very types of projects for which he is providing consultation.”

Mr. Halpern said construction loan monitoring provides the following:

At the outset, an evaluation of the completeness and accuracy of the supporting documentation for the construction portions of the loan application. This aspect of the service encompasses a review of drawings and specifications describing the work and counsel regarding the completeness and adequacy in order to arrive at a reasonable determination of the intent and level of quality specified. The construction schedule is reviewed and an assessment is made of the performance potential of the contractor and developer.

An analysis of total cost and the cost of each component with a breakdown of cost by trade and material is made.

Recommendation is made for creation of bid packages which establish the proper interfacing of related materials and functions. An expenditure forecast provides cash flow guidelines.

During the actual construction process, Morse/Diesel applies uniform systems for accurately reporting monthly cost disbursements relating value of work completed to total work required for completion. Inspections are conducted at least prior to each draw and more frequently as necessary. Verification is made that each disbursement represents proper payment for work performed.

If major changes to the drawings and specifications are made, Morse/Diesel determines and reports the impact on quality, cost and schedule. Throughout, Morse/Diesel advises the lender of the relationship of cost-to-complete and completed construction in context of the loan application. • •

Olympic TV Coverage by ABA

As part of its bicentennial-year advertising efforts, the American Bankers Association has announced it will co-sponsor telecasts of the XII Winter Olympic games in Innsbruck, Austria.

Using the theme, “Your Bank—Helping You Change Things for the Better,” ABA commercials shown during ABC telecasts of the Winter games will illustrate banking’s role in community growth.

Coverage of the Olympics is scheduled to run 43.5 hours during the February 3-14 period. Prime-time coverage accounts for 70% of the broadcasts, or 30.5 hours, and will reach an estimated 71 million homes.

BAI Convention

(Continued from page 38)

that successful electronic money services will be more comprehensive and more personalized than paper-based bank services.

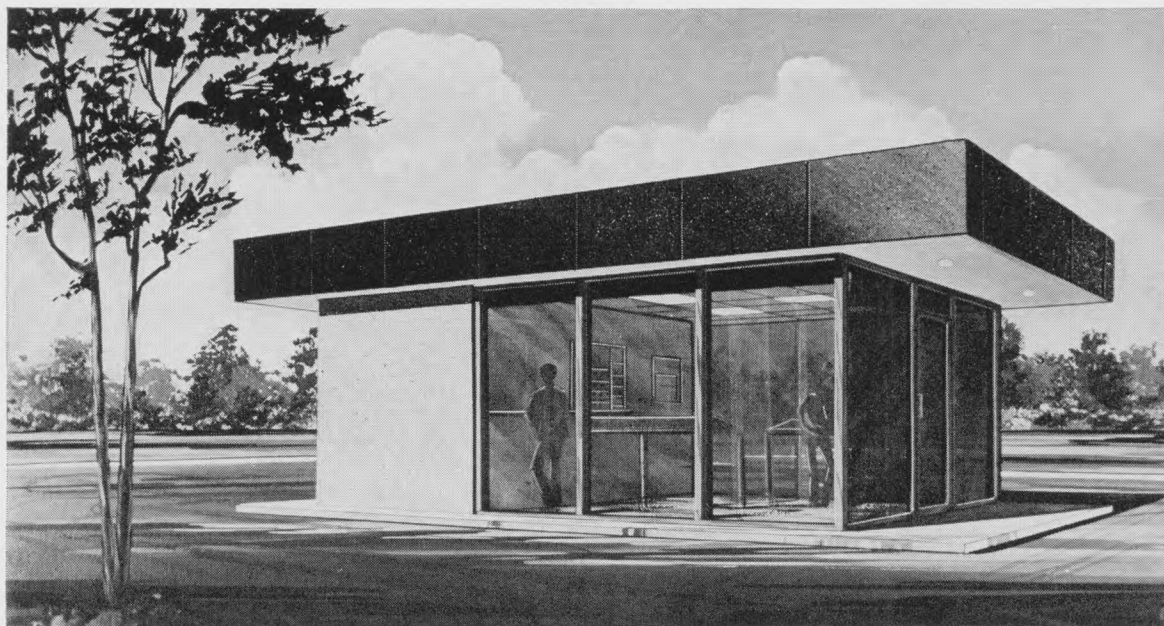
“I know that it is easy to view EFTS developments and their success or failure on a local level,” he said, “and to see your main competition as the other banks, and to shy away from bookkeeping services as though they are a poor cousin coming to ask for a loan, and to try to maintain the good old days for a while longer by having the courts stop progress, but from my viewpoint, times and affairs are changing and wise banks will change to accommodate the new technology.” • •

A Little Bit of Spain in Indiana



A striking white stucco tower is the dominant feature of the recently opened Pine Island Office of First Bank, Whiting, Ind. The tower complements the office’s Spanish decor, which includes two huge wrought iron gates with a large wrought iron chandelier suspended from the vaulted foyer ceiling. The office has four drive-up lanes (at far left).

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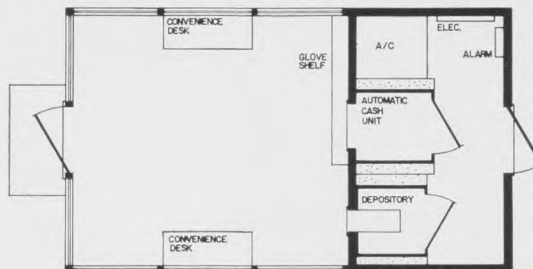
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Bank Modernization Portfolio

A Roundup of Ideas, Theories, Projects

Home Spared From Headache Ball; Bank Restores It for Office Use

THE 170-YEAR-OLD Squire Hays Homestead in Williamsport, Pa., was scheduled for demolition, to make way for a new shopping center. Commonwealth Bank needed an office to serve the area, so the house was purchased and restored by the institution.

The old home now is the Old Stone House Office of the bank, a result that took a lot of doing.

First, the structure had to be moved across the road from its former location and the timeworn building needed an extensive restoration. Commonwealth officials say "great pains" were taken to restore the building as near its original condition as possible. From the outside, only the bank's clock and two drive-up windows (in a bay window setting) belie the fact that it is other than a stone farmhouse.

The interior has been preserved in the style, basically, of the early 1800s, except for the contemporary customer service and Diebold security equipment. The depository is mounted within one of the remaining original doors of the home.

The upper floor of the Old Stone House Office serves as a popular tourist attraction. The original bedrooms and sewing room have been restored and decorated in the motif of the home's beginnings. • •



Interior of Old Stone House Office of Commonwealth Bank in Williamsport, Pa., has been restored so old furnishings coexist with modern bank equipment. Upstairs of 170-year-old home has restored bedrooms and sewing room. It attracts many tourists and antique buffs.

'Lucite' Enclosures Are Safe; Eliminate 'Closed' Appearance

The FBI says 87% of the attempted bank robberies last year were at open counters; in all, 37 people were killed and 180 injured. Enclosures are a way of reducing those figures, but what can a bank do to maintain the feeling of openness and personalized, direct customer contact that's lost when an enclosure is used?

One answer is a product marketed by DuPont Co., Wilmington, Del., the "Lucite" AR abrasion resistant sheet,

a bullet-resistant transparent plastic, 1/4 inches thick.

One institution using the product reports "Lucite" has eliminated short-term replacement usually associated with glazing from poor optics, hazing or cloudiness. The product reportedly is weatherable and retains its optical clarity for years. The plastic also is said to be easily cleaned and fabricated.

The use of bank guards isn't the best deterrent to criminals. The FBI says that over 20% of last year's robberies occurred where guards were present, while banks with enclosures experienced only 2.6% of 1974's robberies.

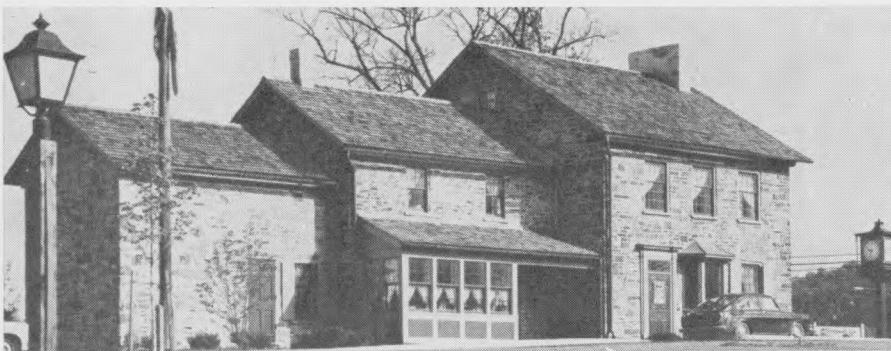
In addition, employees are said to recognize the value of enclosures as a deterrent to crime and that the devices can serve to boost staff morale.



Enclosures of DuPont "Lucite" provide security and open appearance, as can be seen in this lobby photo of First Federal Savings of Philadelphia's Downtown Branch. Manufactured and marketed by the Wilmington, Del., company, transparent plastic is abrasion and bullet resistant.

Design Uses Sloped Terrain

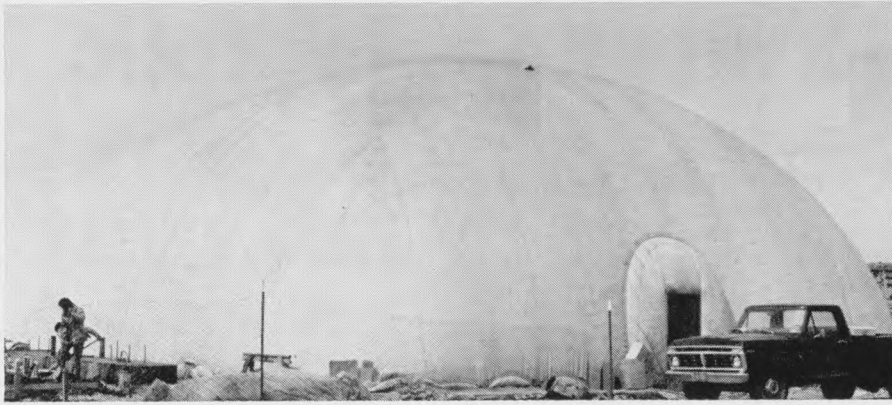
This picture of the new building of Northwest Nat'l, Fayetteville, Ark., shows how the design takes advantage of the sloping site on which the structure was built. Drive-up teller lines have been placed on the low side (far l.), which is adjacent to a street. The lanes have been protected by extending the main banking level over them, with the bridge area housing a conference room, board room and additional officers' area. In addition, the wing provides security and protection for the tellers, who use it to travel from their stations at the drive-up window to the main banking area.



This is Old Stone House Office of Commonwealth Bank, Williamsport, Pa. Squire Hays' 170-year-old home was set for destruction to make way for shopping center, but bank bought it, moved it across road and restored it to its original condition, added Diebold equipment. Only real change to exterior was addition of bank's clock (r.) and drive-up windows in bay window setting.

MID-CONTINENT BANKER for December, 1975





Much like a mother's protective womb, giant heated balloon covered construction site of Zecca Plaza Branch of First State, Gallup, N. M., protecting workmen during near-zero temperatures and allowing concrete foundation to cure properly. After work was complete, heavyweight fiberglass balloon was removed with crane.

Builder Adapts Ship-in-a-Bottle Idea; Constructs Bank Inside a Balloon

ANYONE who has spent a winter in Gallup, N. M., can attest that it gets very cold there, so the problem facing officials of First State was not to have the bank's branch building at Zecca Plaza erected while the temperature was too low to allow concrete to cure correctly.

M. D. Lohman of Commercial Products Construction Co., Gallup, came up with an answer that sees widespread use in Alaska. The new building was to be put up under the protective cover of a balloon.

The balloon was of heavyweight fiberglass vinyl, and is called an air structure in the building trade. "I visited the construction site during near-zero weather, when six inches of snow covered the ground," recalls Robert H. Allan Jr., bank president, "and upon entering the tent, found it to be a dry 65°. Workmen were in shirtsleeves, finishing concrete."

Heat was supplied to the balloon through one large vent and drawn out through another, allowing complete control of the inside environment. Such a device, according to bank officials, could be used in summer months with air conditioning.

In laying the foundation, the builder used a base of \$4,000 worth of cardboard, which eventually will disintegrate and leave the concrete "floating" on 32 piers which will prevent cracking.

Besides being a practical defense against extremes in weather, the balloon added an element of surprise to the construction. One bank officer reportedly was asked, "Will the new branch look like an igloo?"

But the completed building—much like a sculpture—had an unveiling ceremony. After deflating the balloon and detaching pegs that held it to the ground, a sign-hanging crane moved in and hoisted the cover away from the new construction. It then was rolled up on the roof and carted away.

Indiana Bank Reflects Its Heritage In Design of Remodeled Building

THE CITY of Madison, Ind., is a river town (situated on the Ohio), and it's southern in heritage (located in the southern part of the state and across the river from Kentucky). Therefore, it was appropriate that a remodeling program at Madison Bank should produce an interior that resembles the grand salon of the Delta Queen or some other fine river steamboat and an exterior that features New Orleans-style architecture. In fact, President Philip W. McCauley expressly requested that the architects create an "old Madison" look when renovating the bank's quarters.

That this objective was reached is evidenced by remarks made by visitors to the bank: "Looks like the main salon of the Delta Queen." "Never have I seen a bank to compare with this." "Boy, I can't imagine how you made all these changes." "It's absolutely beautiful."

In addition, the Madison Business &

United S'west Nat'l, Santa Fe, Begins Work on Solar Bank

Sunlight is a natural resource that is plentiful in New Mexico, and United Southwest National, Santa Fe, is one bank that's done something to put Sol to use. Its new building will use a solar heating system that reportedly will provide 54% of its space heating requirements during a seven-month heating period.

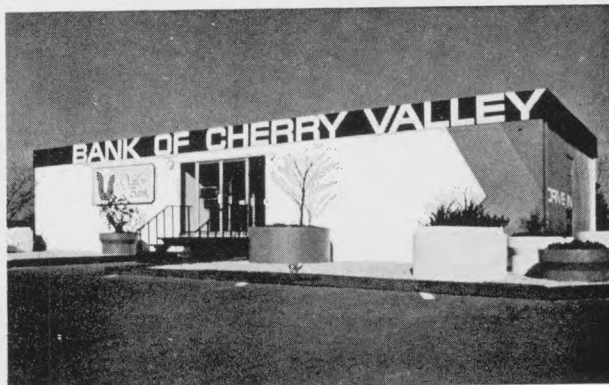
Bank officials say United Southwest will be the first bank building in the U. S. to use solar energy. The building itself is designed in the pueblo style indigenous to the area, based on the energy-conserving mud-and-adobe construction of the Southwest.

It will have an upper main banking level for the primary building function, while there will be a lower courtyard level in which a *santuario*—sanctuary—in honor of the bank's adopted patron saint—San Mateo (St. Matthew), the customs collector—will be situated.

The water-cooled solar system is expected to be good for an energy savings of over 200,000 cubic feet of gas during the winter, while the distribution of refrigerated air during the warm months will be supplemented by the use of fresh air produced in a shaded, cool reservoir incorporated in a multi-use courtyard and gallery.

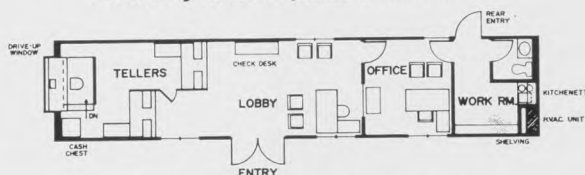


Look of old New Orleans was captured on remodeled exterior of Madison (Ind.) Bank building. Wrought iron balcony and railings are complemented by unique molded-glass windows and circle-headed and beveled-glass entrance.

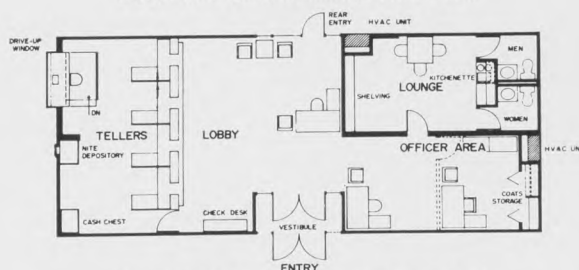


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Main lobby of Madison (Ind.) Bank recalls another era, with lyre-shaped wrought iron railing in balcony (center background), arched tellers windows, arched openings at vault area and roll-top desk (partially hidden behind stand-up check-writing desk in center of photo). Tongue-and-groove woodwork was used in counters, check-writing desk and area beneath wrought iron railing.



Second floor of remodeled Madison (Ind.) Bank building resembles grand salon of river steamboat, with shuttered doors, arched windows and brass-bracket lights in halls.

"a positive and tangible asset to the architecture of the Madison historical district" and the bank for demonstrating "confidence in the economic stability of our business community as well as the entire Jefferson County area."

In the main lobby, graceful arches were used in the tellers section and over the balcony leading to the vault area. The latter also features lyre-shaped wrought iron similar to that found in some of the fine homes in Madison. A roll-top desk adds to the "old Madison" look. Counters and railing have a tongue-and-groove design (a joint between two boards in which a raised area on the edge of one board fits into a corresponding groove in the edge of the other to produce a flush surface). Original art work depicts scenes from old Madison.

The second floor houses the commercial, mortgage loan, trust, investment and auditing departments. The grand salon look is especially evident here, with arched windows surround-

ing the area and brass bracket lights in the halls. Fan-shaped designs were used above shutter-type doors leading to private offices. Such doors were used on steamboats.

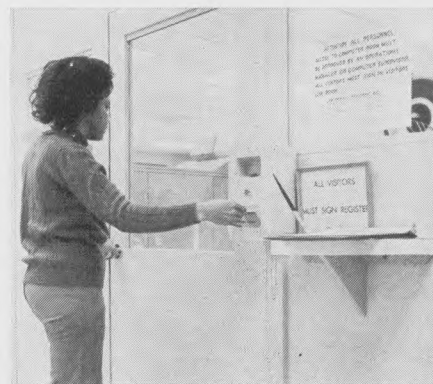
The directors' room on the second floor has an area rug hand woven for the bank and bordered by a walnut parquet floor. Apposed paneling was made of a flame-stretched fabric that was used in houses in the old South. Similar panels were installed in the foyer. The directors' room has sliding panels that contain chalk board, audio/visual screen and bulletin board.

The building's exterior has a large wrought iron balcony in the center and a wrought iron railing at each window on the second floor. Wrought iron also was used to frame the main circle-headed and beveled-glass entrance. The windows feature molded glass, which, according to the architects, is unique. Two additional windows and balconies were added on the alley side of the building to capture the narrow street look which, said the architects, is so prevalent in southern communities.

The "old Madison" look also was carried out in a drive-up facility, which is designed to look like a southern train station. The latter has metal columns with special wrought-iron-cast bases and caps that were cast just for the bank.

Control Restricted Areas

"Accessor" is a new system by Mosler Safe Co., Hamilton, O., that is designed to automatically control person-



Mosler Accessor automatically controls personnel access to restricted areas through use of magnetically coded ID cards.

nel access to restricted areas by means of magnetically coded ID cards.

The system also includes a card reader and a central processing unit (CPU), one of which can control as many as 16 readers. As many as six access areas may be assigned per CPU, each covering one or a group of entrances, controlling access to an area by each individual and by the hours the person is allowed on the site.

The Accessor's other features include a keyboard code and card code unique to the person, rather than the station, on-site coding and recoding, duress signaling from remote card readers and two-way interface capability with the main security alarm.

In addition, the device offers automatic card code erasure after a selected number of improper entries, egress monitoring with the same card reader and a printed history of access or usage.

First of Denver Plaza To Open



With the opening in Denver of First National's plaza December 15, a major step toward the completion of the bank's entire complex has been reached. Pictured is an artist's rendering of the teller lobby of the adjoining six-story Galleria Building, which includes 42 teller stations. Other features of the complex include the new 32-story Plaza Building, a 950-car parking garage and a link building, connecting the tower and the existing First National Bank Building. The plaza will cater to pedestrians, bank officials report, and will feature a stream fed by fountain-like stainless canisters. Trees and shrubs are planned for an April or May planting and formal dedication ceremonies will be held July 4, 1976.

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The traditional method of selecting bank equipment doesn't work very well anymore. Equipment designs have grown complex, with more models to choose from and sorting it all out is difficult. Price increases have made the bank equipment package a substantial part of the total project cost. Also there are additional new equipment sources that need to be considered.

Repeatedly, we hear bankers describe selection of bank equipment as the "wormiest" part of the building project. Understandable, when you see quotes showing identical pricing from two or more suppliers and yet price differences of 40-50% for the same items from other sources.

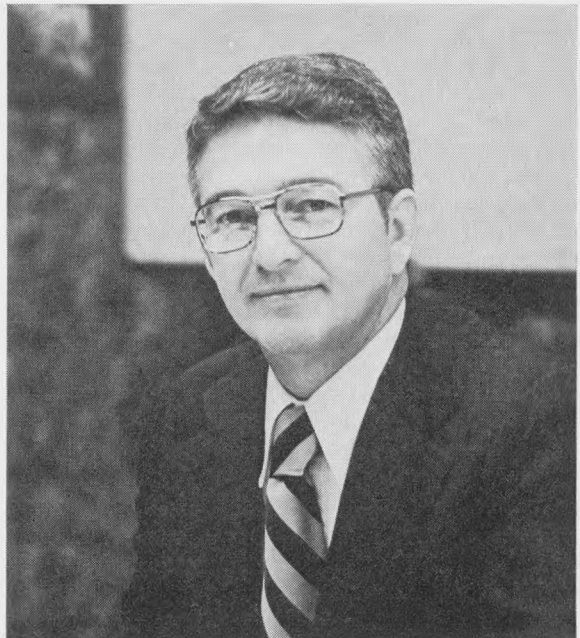
And time is a problem. Everyone at the bank had a full time job before the building project started. Now somebody is going to have two full time jobs. Something will have to be given less attention than it deserves. Usually it's the selection of the bank equipment.

Somebody should invest their full time analyzing that total industry, keeping up with the changes and making the information available. But without the prejudice of being a supplier or any selfish motive in who the bank buys from. Just provide information and a recommendation.

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Dean R. More

Prior to establishing Bank Equipment Consultants, he was General Manager of Field Operations for Mosler. In that assignment he was responsible for Sales, Installation and Service nationally.

Earlier he was General Sales Manager for the same firm. Both positions were based at Mosler headquarters in Hamilton, Ohio.

Before moving to Hamilton, he was Southwest Regional Manager in Dallas, Texas. That assignment was preceded as Southwest District Manager.

Experience both as a sales representative and through various levels of management has given him a unique background in the bank equipment industry. Also, a unique exposure to the problems bankers face in selecting equipment.



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Energy Management, Security Devices Must Be Considered in New Buildings

PLANNING a new building—or expanding a present building—involves many decisions, most of them fairly well known to bankers. For example: how large to make the installment loan department, the size of the bank lobby, how many tellers windows to install, drive-up windows, relocation of departments to ensure increased efficiency, etc. These are “decision areas” that most banks would consider in *any* building program.

In today's economy, another consideration, and a rather large one, that should be faced by any building committee is a system of total energy management. The obvious goal: a reduction in gas and electric bills.

One firm that specializes in energy-control programs—Johnson Controls of Milwaukee—has published a booklet on the subject that shows it's possible to save about 40% on energy used for heating and 30% on energy used for cooling. These statistics were generated by the National Bureau of Standards (NBS).

How can these savings be achieved? Johnson Controls recommends these steps:

Rethink the way you operate your building. For example, excessive ven-

tilation air probably is the biggest energy waster of all. Current codes require 7.5 to 10 cubic feet of outside air a minute per person, air that has to be heated or cooled, humidified or dehumidified, cleaned, deodorized and moved. That takes energy.

Check out the little things, such as electric water coolers and lights in vending machines that run all night. In an actual case history, the NBS reported that a building with 11 water coolers and eight vending machines saved almost \$200 a year by night shutdown.

Reduce the load on boilers and chillers with proper roof insulation, pipe wrapping and window shading, by sealing openings and raising and lowering thermostat settings. Less obvious ways include using the heat generated by a large computer installation to warm the building, eliminating boilers entirely and recovering heat from lighting fixtures, from waste service hot water and by reducing the load on boilers.

Stop and start equipment, rather than letting it run continuously. Cut damper leakage. Utilize lower-temperature outside air when possible. Maintain close control of a building's particular type of system.

For example, according to the booklet, multi-zone system operating costs can be cut in half; reheat system savings can amount to 6 million BTUs per year for each 1,000 cubic feet per minute of system capacity, and all-air system energy reductions of 10% and more are common through installation of selected control devices.

Upgrade to original design conditions. The booklet asks whether building systems still are performing as effectively as they were designed to perform when installed. Systems can deteriorate seriously in efficiency in as little as two or three years. Important energy savings can be achieved simply by bringing systems up to design conditions. Filters, coils, fans, spray sections, pumps and controls should be thoroughly checked, cleaned and adjusted.

Another area that should be considered when planning a building is security. This doesn't mean just having the traditional night watchman or a burglar alarm. In these days of politically motivated bombings—and banks seem to be especially inviting targets for them—and vandalism, total and continuous electronic surveillance is the answer, ac-

ording to a booklet on security systems prepared by Johnson Controls. The booklet suggests three ways to thwart unwelcome visitors:

1. Protect a point of entry. The preferred way is an electronic-card-access system that can be used in conjunction with other devices, such as a magnetic switch. A magnet is mounted on a door and a switch mounted on the door frame. If the door is opened, the contacts open, sounding an alarm. Any form of tampering is detected by a special circuit and also sounds an alarm.

2. Protect a critical area. There are a number of supersensitive detectors that can feel, hear or see an intruder in a protected area. Any unauthorized movement on fire escapes, staircases, roofs and floors will set off an alarm.

3. Protect a specific object. Safes, vaults and file cabinets can be protected by proximity detectors, devices that can set up an electromagnetic field around the object and cause an alarm when the intruder's hand approaches the lock. Vibration detectors and sound detectors can achieve similar results.

The booklet adds that these sophisticated electronic sensors are most effective when combined with closed-circuit TV, electronic card key, watchman's tour, audio communication and other supplemental security equipment, all under one-man centralized computer control. • •



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Cut in Bank Robberies Sought

WASHINGTON, D. C.—Bank robberies rose about 51% last year, according to the Justice Department, which has reacted to this frightening statistic by threatening to take “careless” banks to court.

From now on, said Justice, civil suits will be filed against federally insured banks, S&Ls and credit unions that ignore federal regulations designed to prevent robberies or help authorities arrest the robbers later.

These regulations, which became effective in 1968, say that banks must install surveillance cameras and alarm systems and provide “bait money” for their tellers. Bait money is made up of bills whose serial numbers are recorded by the bank.

Under its new get-tough policy, Justice will send a warning letter to banks that don't follow these regulations. If this warning goes unheeded, the department will file a civil suit calling for a \$100 fine for each day the bank fails to comply after the warning letter is sent.

Will anyone come to your rescue if your new building costs more than you planned?



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Careful Selection of Bank Equipment Can Result in Substantial Savings

EQUIPMENT SELECTION is an important part of a bank's building project because it commonly accounts for thousands and sometimes hundreds of thousands of dollars of the total cost. However, expenses can be reduced in this area if bankers can take the time and are knowledgeable enough to choose wisely. The trouble is that most bankers rarely pay sufficient attention to this part of a building program because they are too busy with their daily responsibilities or lack sufficient information or expertise to make proper judgments. Instead, they often put off their decisions on equipment until they simply cannot be ignored any longer and then make them in haste.

What such bankers need is a disinterested, but well-informed, outside party to help them select tellers windows, drive-up facilities, safe deposit boxes and lockers, night depositories, undercounter steel and alarm and camera-surveillance systems. One such person is Dean R. More of Bank Equipment Consultants, Denton, Tex., whose business background is in the equipment industry.



MORE

Mr. More's firm does *not* sell equipment of any kind, nor does it accept fees or commissions from suppliers. It specializes in knowing a great deal about all bank equipment and selling that knowledge to banks. BEC works directly with a client during the planning and construction of its building program and involves itself in physical and electronic security and in drive-up facilities.

Mr. More advises bankers who are planning new buildings to spend as much time as possible on selection of equipment because real savings can be achieved. For instance, he says that in many medium-sized projects in which his firm has been involved, there often have been savings of up to \$50,000. Mr. More is able to make complete and impartial analyses of his bank clients' needs and, based on his findings, choose only as much and the kinds of equipment as they really require to serve their customers effectively.

When discussing costs, Mr. More points out that initial purchase is only part of the expense. There's also ongoing maintenance, which, he says, often is overlooked at time of purchase.

Therefore, the two costs that must be watched closely when buying equipment are: 1. Initial purchase price. 2. Annual service cost.

Another problem connected with

buying equipment is that there's no central source of information on suppliers, and so a banker usually will receive bids from only three or four firms.

What should bankers look for when choosing equipment? Here are some pointers from Mr. More:

- In the vault area, look for doors with stainless steel on all surfaces, including edges and jambs. These doors won't rust. Try to have emergency vault ventilators built into door frames. This will eliminate extra installation costs and, in some cases, provide space for additional safe deposit boxes.

According to Mr. More, there currently are available 23 models of 3½-inch-thick vault doors ranging in price from \$8,874 to \$16,200, including installation. All 23 models meet identical specifications. However, he points out, the least expensive doors—not the most expensive—have the rustproof, stainless-steel skin and ventilators built into the frames.

- Remember that the no-rust feature also can be found in safe deposit box doors, which are available not only in standard polished steel, but in cast and painted aluminum, polished aluminum alloy and formed stainless steel. There even are doors available in many colors and of conventional construction. They also are rustproof.

- When choosing drive-up equipment, look for reliability and its ability to serve customers quickly and efficiently.

- After determining actual equipment needs and when inviting bids, specify your requirements to each supplier in his *own* model name and number. For instance, when seeking a vault



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door, give the model name or number and exact achitrave required to each supplier in his own nomenclature. Follow each item with a blank space for the "installed" price and a separate blank for annual service cost. In this manner, you will control what competitive models are "equal."

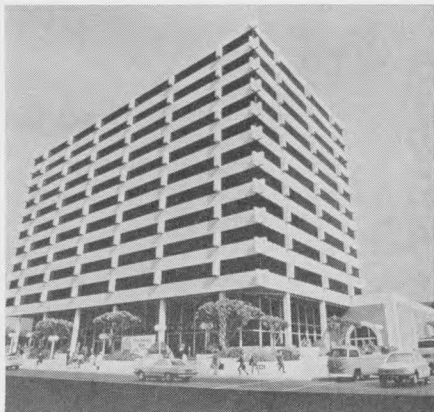
• After all bids are in, lay them out on a spread sheet and begin the decision-making process.

Maintaining iron-fisted control of equipment selection and, consequently, the purchase and ongoing service costs, definitely is worth the effort, says Mr. More. ••

DEAN R. MORE was gen'l mgr. of field operations for Mosler until resigning in May, 1974, to start his own firm. At Mosler, he was responsible for sales, installation and service nationally. Before that, he was Mosler's Southwest regional mgr., based in Dallas, and then gen'l sales mgr.

New First National Building To Be Dominant Structure In Des Plaines (Ill.) Mall

DES PLAINES, ILL.—The new building that will house First National will be the dominant structure in Des Plaines Mall. The three-story mall will be a luxurious, climated-controlled area



This is model of future home of First Nat'l, Des Plaines, Ill. Structure will be dominant building in Des Plaines Mall.



Des Plaines (Ill.) Mall, of which new quarters of First Nat'l will be part, will feature skylighted atrium and modernistic stairs and balconies.

with a skylighted atrium. The garden concourse, street and plaza levels will be designed to produce airiness and light, even on the dulllest winter days.

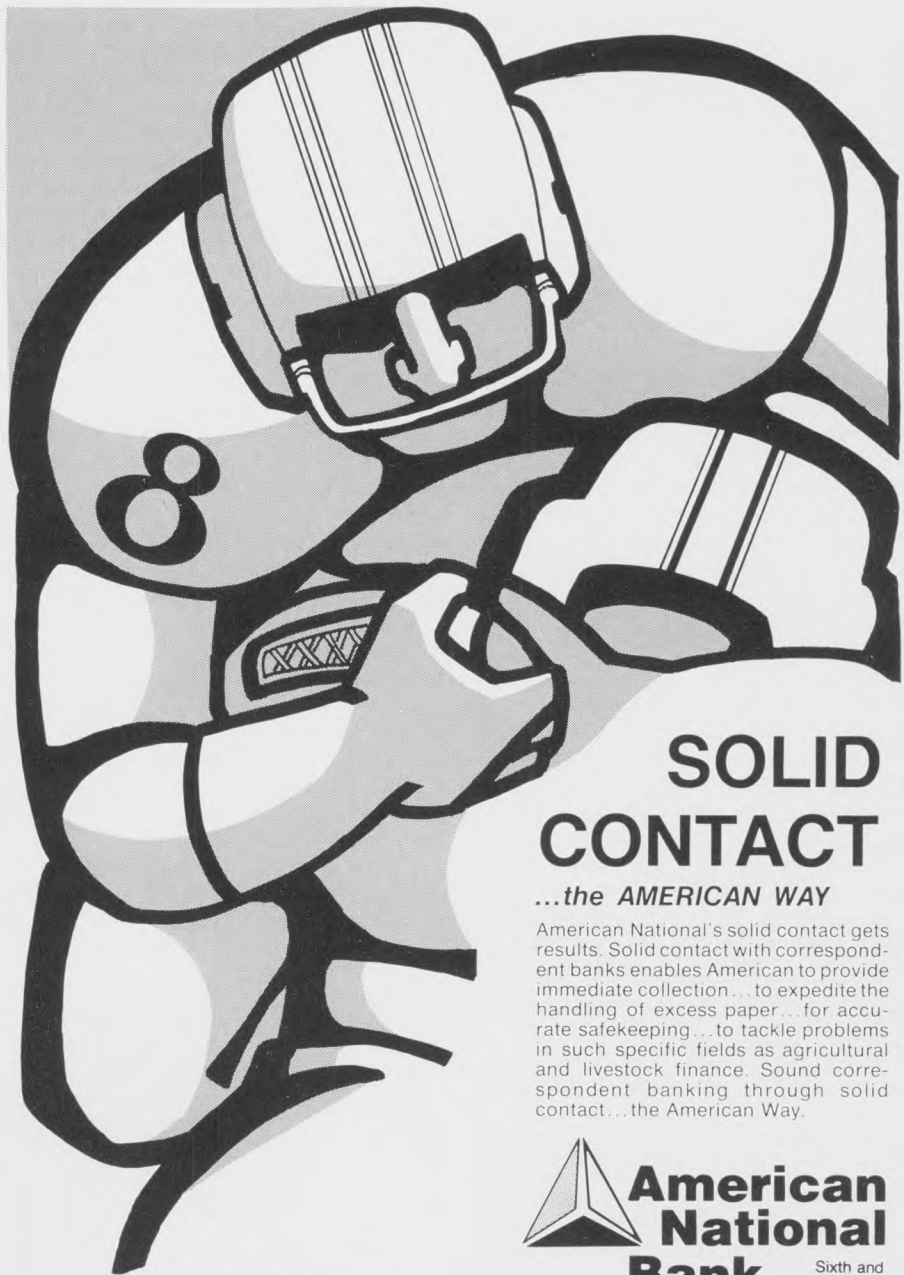
In addition to the bank quarters, the mall project will include Spiegler's Department Store and 60 to 80 other retailers.

The bank's new home, to be completed next fall in time for Des Plaines' 104th birthday, will be a 10-story and basement structure. It will be built of precast concrete panels and solar glass with aluminum trim in a modern cantilever design from the third floor. The

building has been designed to take advantage of the available land in downtown Des Plaines and to assure maximum visibility and prominence from nearby highways and tollways.

The bank will occupy the first three floors, including the lower level. The rest of the building will be available for rent on a combined single- or multi-tenant basis.

The bank lobby, to be enclosed by eight glass doors, will open out onto a 10-foot-wide concrete sidewalk running along the structure's north, south and west sides.



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Making Realities From Banker's Ideas Is Specialty of Bank Building Firms

THE MANAGEMENT of every bank contemplating a new construction project or remodeling program must come to grips with the question of what it wants to accomplish.

Does it want to create a monument, a focal point in the community or neighborhood? Does it want to simply expand its quarters to allow for further growth? Does it want to create premises that will permit the introduction of new or expanded services?

In many instances, bank management has an idea of what it wants, but doesn't necessarily know how to go about formalizing a plan to achieve its desires. And that's where any number of bank specialist firms enter the picture—firms like Bunce Corp., St. Louis, which has been specializing in the construction and remodeling of bank buildings for over 10 years.

According to Peter Bunce, the firm's youthful-looking president, the majority of bank executives rely on specialists as a sick man would on his doctor. He knows something must be done, but he's not sure what—or how—it is to be accomplished.

According to Mr. Bunce, bank management must know the image it wants to convey for the new or remodeled facility before the project can get off the ground. Frequently, he says, bankers have not thought this aspect of the project through and one of the first tasks of the building specialist is to assist them in this area.

He emphasizes that the finished product must solve tomorrow's problems (as well as today's) before they materialize. What are the bank's goals? What is the nature of its community or neighborhood? Can rental space be included in the plans to allow for future expansion?

A specialist in bank construction, Mr. Bunce says, is one who understands bank operations, not only from an overall viewpoint, but from a departmental viewpoint. Space requirements must be considered in proper relationship to the needs of all departments. There must be a built-in provision for expansion in any direction so that any department experiencing abundant growth can be expanded at will without infringing upon the needs of other departments.

By **JIM FABIAN**
Associate Editor

This is one reason why bank planners are avoiding such locked-in situations as placing the vault squarely in the middle of the structure where it could effectively block later remodeling attempts to open up a department that needs more space.

Similarly, when a remodeling project is contemplated, bank management must look beyond the immediate problems that prompt the remodeling job to give consideration to long-term problems that might not have surfaced yet or become full-scale problems at the time of the remodeling.

Things management should consider—and things a bank specialist should be expected to direct management's attention to—include the satisfaction of operational needs and esthetic needs, ease of maintenance, the bank's budget and a workable time schedule.

According to Mr. Bunce, a banker undertaking a building or remodeling project should expect to enjoy the entire operation. It shouldn't be one headache after another, it shouldn't impose inconveniences upon bank customers. In short, the banker should expect and get a quality job that will serve to boost the bank's goodwill and also serve to attract new business, make employees happy and meet the bank's needs for at least 10 years.

Mr. Bunce says the foremost sales

tool of a bank building specialist is his reputation. His firm must be small enough to provide individualized attention to clients and knowledgeable enough to anticipate the needs of banks; yet it must be large enough to provide the depth of organization and the financial strength that his customers need for their protection.

Bunce Corp. concentrates its operations in an area served by its three offices in St. Louis, Kansas City and Milwaukee. The projects handled rarely exceed \$3 million in cost, with the average job costing about \$500,000, and some costing less than \$100,000. The firm offers consulting, design and architectural services, it provides construction talent and handles furnishings and equipment. Also available are landscape architecture and signage services.

Mr. Bunce says his firm begins its work with a bank by discussing the project with bank management, then with bank personnel (usually a different viewpoint insight is provided by those who actually perform the work.) Then work on preliminary plans begins, which always commences with identification of the problems and solving them. Next is the establishment of a budget for the job.

Small banks usually pay the limit permitted by regulations when constructing a new building, while larger banks seldom do, Mr. Bunce says. His firm is unique in that it provides a guaranteed cost before architectural drawings are made, resulting in a ma-

Peter Bunce (c), pres., Bunce Corp., St. Louis, conducts planning session with associates (from l.) Wally Geoghegan, Ed Mills, Glenn Pauly and Dorothy Bignall.



major savings because changes can be made prior to executing architectural drawings. Should a cost estimate be too high for the bank, management can authorize changes in the plans that will bring the cost down without having to make expensive alterations in the architectural plans.

An experienced bank building specialist maintains a data bank on costs, Mr. Bunce says, which gives him a good track record to draw upon in estimating the cost of a new project. In many instances, a simple updating of costs of earlier projects is sufficient to enable costing to be done on a new project.

According to Mr. Bunce, if a project comes in under the guaranteed cost, the savings is turned back to the client.

A normal Bunce project entails six months of construction. Time can be saved by "fast tracking," a process in which foundation work is started prior to the completion of finished working drawings. Such a procedure can shave construction time by 50%, Mr. Bunce says.

The project superintendent is the key man on any job, Mr. Bunce says. He is the liaison between the builder and the customer. He must be responsible for a multitude of things, including keeping track of workmen who may (in a remodeling job) have access to areas of the bank that are vulnerable to theft, assuring minimal inconvenience for both customers and bank personnel, keeping the project on a strict timetable and assuring quality work throughout the project.

After a job is completed and the bank is open for business, the bank specialist doesn't just drop the project, Mr. Bunce says. Rather, he checks back with the customer periodically to make sure everything is working according to plan. The best way to determine this, Mr. Bunce says, is to query the bank's custodial staff. Custodians are most candid in their appraisal of a building's functional characteristics and don't hesitate to offer their opinions! Other valid evaluations are gained from tellers, bookkeepers, secretaries and, of course, bank officers.

In considering a bank project, Mr. Bunce says that a new building represents a major element on the balance sheet of a bank. It is a big investment and as an investment it has qualities that set it apart from those in which the bank normally deals.

It is an asset that is not liquid nor negotiable; it's an asset that will force its influence on the daily operation of the bank and the bank's ability to serve its market. How well the banker invests

(Continued on page 76)

Formation of Comprehensive Plans Described by Bank Consultants

EXPERIENCE and concentration to detail are among the most important factors to be injected into the planning of a new bank facility or remodeling project. These factors emerged from contacts with three bank design and/or building firms whose representatives were asked to comment on their procedures to insure that bank building plans were as comprehensive as possible.

Robert L. Schutt, president, Bank Consultants of America, Denver, cites the importance of advance planning, which, in his firm's case, is based on an all-encompassing feasibility study for each job. The study includes complete analysis of all phases of operation, in-depth interviews with key personnel, review of management objectives, forecasting growth and an analysis of anticipated trends in the industry.

Lou Schilly, vice president, Ste. Genevieve (Mo.) Design & Building Corp., stresses the importance of including bank management on the planning and design team. This, plus consultation with employees and on-site observation, provides a solid base on which to build a program, he says. It also helps greatly for the builder to have had experience in banking, which enables him to appreciate the banker's problems.

Front-end considerations, consisting of purpose identification, thorough analysis of possible alternatives and the financial consequences of implementation are important ingredients of any building project, according to John F. Price Jr., vice president, Lester B. Knight & Associates, Chicago-based management consulting firm.

To minimize operating and occupancy costs, Mr. Price says, more bankers are demanding quarters that will efficiently serve the bank's total needs throughout the period of occupancy.

In planning and implementing a successful building project, the consultant should begin by assisting the bank to specifically identify the contribution new quarters are expected to make to established growth, market and earnings objectives. This information not only provides planning guideposts, but also serves as a measuring device when alternative solutions are evaluated, he says.

It is important to undertake an evaluation of community and bank market trends to identify real growth potential as opposed to inflationary growth, Mr. Price continues. The results are related to each operating function of the bank and interpreted into projected equipment and staffing needs. This information, accompanied by an assessment of the impact of future automation and any contemplated new services, is then converted into space needs. Space standards are defined and the most efficient operating relationship established. Findings are reviewed with senior management and selected department heads.

Sites and/or leased space are then analyzed, Mr. Price says. To evaluate the alternative solutions, construction and occupancy costs of practical alternatives are calculated. Financing arrangements are then evaluated and the impact on future earnings is determined. A meeting is then held with bank management and specific recommendations for implementation are made.

Prior to actual implementation, a review of the contemplated project with regulatory authorities is recommended. • •

Updated Drive-Up Systems Benefit Banks in Different Parts of Country



At l. and c. are views of Bensonhurst Office of Dime Savings Bank, Brooklyn, N. Y., in which Diebold Visual Auto Teller systems enable one teller to take care of more than one customer at a time and with no loss in speed or convenience. At r. is 10-lane drive-up facility of

Bank of Southwest, Houston, using similar Diebold equipment. Both institutions report being able to accommodate more autos than with old setups and don't hinder normal city traffic.

HERE'S HOW two financial institutions in different parts of the nation solved problems of traffic congestion, made access easier and improved service to customers of their drive-up facilities.

Bank of the Southwest, Houston, and Dime Savings Bank, New York City, installed Diebold remote banking systems in their drive-up locations.

Bank of the Southwest has moved its drive-up facility to a new, expanded location, because, a bank spokesman says, the old facility wasn't able to

handle the growing amount of business.

"Traffic often was lined up outside the facility and caused interruption to the regular traffic flow downtown. The new facility, by comparison, holds upward of 40 cars at a time and is easily accessible to both incoming and outgoing downtown traffic," the spokesman added.

At its Bensonhurst Branch in Brooklyn, Dime Savings is able to provide drive-up service to twice the number of customers as its old facility, says one

of the institution's officials. This, he indicates, is done without additional personnel.

The bank in Houston uses 10 lanes, each served by a pneumatic tube, line-of-sight teller system, while Dime Savings' facility has four lanes.

Bank of the Southwest has included what it calls the "Southwest 7/24" unit: It is an automated teller machine that allows customers to perform as many as 11 banking transactions any time, day or night. • •

Equipment Suppliers

(Continued from page 43)

pliers of bank equipment provided customer transaction and security equipment while data processing firms provided equipment for backroom operations. But the coming of EFT has rubbed out the dividing line between these two types of suppliers.

The advent of EFT had made the building of branches too expensive, says Leonard Fish, president, Bank Computer Network Corp., Chicago. The payback period for new facilities built today is from 10 to 15 years, Mr. Fish says, which is too long in the EFT era.

Thus, he says, the future growth in banking equipment will take the form of "micro branches." These will have no deposit boxes, no vaults, no fixtures—just machines.

The bank equipment business no longer consists of welding together pieces of metal and then putting a door on it, he says. To succeed, equipment manufacturers will have to be electronics oriented.

Delivering an additional dimension of time and locational flexibility through

EFT will mean tremendous opportunities for the vendors that can supply products that work, are easily serviced, priced right and—most important—are easily understood and used by the financial institution's depositors, says Robert A. Heckman, vice president-marketing, Docutel Corp., Irving, Tex.

We must assume that EFT will happen in our lifetime, he continues, that products from major suppliers will work reliably. Therefore, the competitive battle shapes up in the areas of maintenance, field engineering and total marketing support.

No one supplier will meet the total EFT need for the financial community, Mr. Heckman says. So it is important for customers to thoroughly analyze their needs and the many solutions available. Vendors are equally responsible for making their individual systems compatible and for providing expertise to their customers so that the entire system will work efficiently. • •

Bank Building Firms

(Continued from page 75)

in his building will determine in large part how efficient his staff will be, how easily he can expand the building, how well he will please his customers.

Decisions made during the planning and building of a project will have great impact on the on-going operation of the bank, Mr. Bunce says, and they have great permanence. Once a building is finished, changes are not accomplished easily. For this reason, a banker planning to invest in his own building must be particularly careful in selecting his adviser for the planning and construction of the project.

This type of thinking about bank construction is reflected in the custom bank buildings that have been built by firms such as Bunce Corp. A bank construction specialist is a bank's best guarantee of satisfaction, whether the project be a main office, high rise or a drive-up facility. • •



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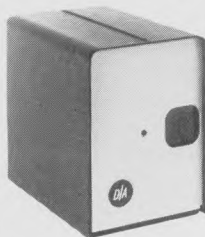
September 6. She tries to withdraw \$2,000. But the check hasn't cleared, because of the Labor Day weekend. She argues, cries, demands to see the manager. Puts on a terrific performance. It doesn't work. She's told to come back in four days. We get it all on film.

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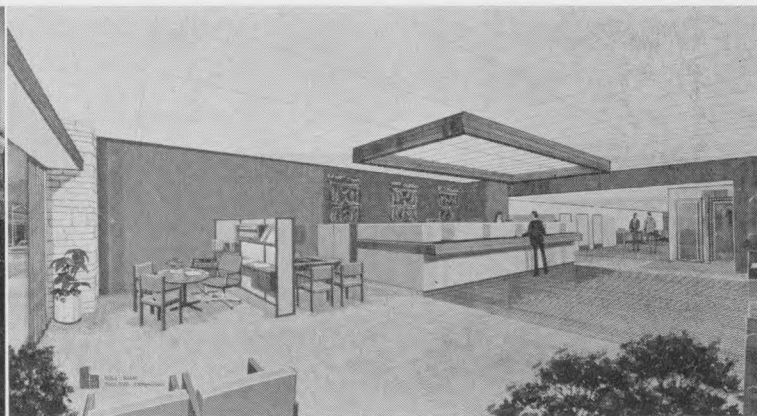


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LEFT: Deep, narrow confines of existing building of First Nat'l, Alma, Kan., limit customer privacy, create staff and customer congestion and reduce operational efficiency. RIGHT: Artist's rendering of the new interior shows how departmental rearrangement and use of furnishings will promote customer convenience and provide smooth, efficient traffic flow.



Design/Construction Firm Enables Small Town Bank To Lick Expansion Problems

HOW DOES the only bank in a town of 900 people update and expand its facility without interrupting its flow of financial services to the community? This was the problem facing management of First National, Alma, Kan., recently.

Seemingly, the simple solution was to purchase a new site and construct a new building. However, after receiving cost proposals through conventional methods for a new facility, the bank had to reconsider. The price tag was too high!

First National's dilemma was not unique. The bank faced a problem common to many similar sized institutions. Even though the local population is not large, individual depositors bring the same needs as those in larger communities; they create the same demands for services, and from these demands arise the complex difficulties of space and traffic relationships.

However, there were limited financial resources with which to undertake a building program. The desired expansion of First National could be accomplished only within a framework of realistic cost constraints. The solution, particularly for this community bank, was to call upon one of the bank construction firms offering a full range of in-house techni-

cal expertise and banking experience.

First National's officials selected HBE Bank Facilities (HBE), a design/construction firm headquartered in St. Louis, to provide positive answers to the need for space within a predetermined budget. HBE quickly determined the existing building to be salvageable and proposed renovation/addition as the solution rather than a move to a new site.

Having first opened its doors in 1932, First National had built its present Main Street structure in 1957. A deep, narrow "shotgun" type building, its inefficient operation was being made more so by customer and staff cross traffic and congestion. The 25-foot interior width is effectively blocked at the front by the walls of a private office. The cashier, secretaries and tellers operate in cramped and inadequate areas, and the president is forced to share space with the vault in the far rear of the present building. Little privacy for customer transactions is afforded and no adequate waiting areas are available.

The town of Alma lies near Interstate 70, some 30 miles from the state capital at Topeka. It enjoys a healthy economy, based on surrounding farms, cattle ranches and small manufacturing plants. Located in Wabaunsee County, First

National is one of only five financial institutions serving the entire 791 square mile area. The county anticipates steady population growth, and the expanded banking facility is needed to improve present customer service and to accommodate an expected twofold increase in deposits and customer transactions.

First National will present a complete new image to Alma's citizenry at the conclusion of its renovation/addition program. A new exterior facade will combine native blue-gray fieldstone pilasters with baked enamel panels and solar bronze colored, heat resistant glass in windows and doors. A 2,800 square foot addition will be added to the rear of the present building and some interior partition walls will be removed to open up space. Departments will be sized and arranged to provide customer convenience and privacy and a smooth, efficient flow of work. Cross traffic will be minimized. Altogether, 4,200 square feet of existing space will be renovated.

Astute planning will allow the main entrance vestibule to open directly into a spacious public lobby, featuring a five-station tellers' fixture, two wall-hung check desks and bench seating for customers.

The new accounts department will

be located at the front of the public lobby, adjacent to the tellers' fixture. It will include a small waiting area with a free-standing, modular work station for attractive display and storage space. The work station wall will create a privacy screen for customer transactions.

Beyond the tellers' fixture, the public lobby will open into the bank vault area, with its own lobby, three private coupon booths and two "speedy" coupon booths.

The new addition, at the rear of the building, will provide officer and employee conference and work areas and four private offices all with open wood and glass partitions.

Recessed fluorescent panels will provide basic lighting and incandescent spotlights will illuminate key areas.

HBE's interior designers have planned a warm and inviting interior for the bank by utilizing the same native fieldstone as that used on the exterior and complementing it with a variety of earth-tones in walls, floors and furnishings. The existing surface of the wall opposite the tellers' fixture and perpendicular to the main entrance will be

removed to expose the original stone construction.

A tan-colored tellers' fixture, with walnut trim and Andes black granite deal plates, will be the focal point of the public lobby. The wall directly behind the fixture will be painted burnt orange and highlighted by three woven wall hangings. The fixture will be enhanced by beige carpeting whose horizontal charcoal gray and brown stripes will visually widen the lobby. A three-foot-wide wear strip of walnut-finished parquet flooring will separate the lobby carpeting from the fixture and serve to further emphasize it.

Solid beige carpeting will cover the remainder of the first floor lobby and customer areas.

Lobby furniture will feature walnut frames and burnt orange upholstery in a variety of solids, stripes and patterns.

The building's lower level also will be renovated and previously unused space opened for use. Located on this level will be the meeting room and lounge, bookkeeping department, record vault, mechanical equipment rooms and storage areas. The storage areas are located so as to be easily converted to

additional space for operational departments when work loads demand.

The bank's heating and cooling systems also will be replaced and renovated to assure maximum comfort for customers and employees.

Groundbreaking ceremonies for the bank's ambitious renovation/addition program were held on November 24 with bank President W. D. "Bill" Moore presiding. Mr. Moore, who also is regional representative from Group Three of the Kansas Bankers Association, stated his hopes that the bank's renovation will demonstrate its pride in its Kansas community and will encourage other local merchants and businessmen to follow suit.

Only three-and-one-half months elapsed between the bank's authorization to proceed with planning on August 12, and HBE's delivery of final preliminary floor plans, designs and a guaranteed cost for the entire project. Occupancy is scheduled for next May 24. Noteworthy, also, is the fact that this addition/renovation program is providing First National with twice as much usable space at substantially less expense than it would have cost to construct a new building. • •

LEFT: Existing street face of First Nat'l, Alma, Kan., will be completely replaced during building program. RIGHT: Presenting new image to

community, new bank facade will feature native fieldstone pilasters and solar bronze colored glass in windows and doors.



BUILD IT—IDENTIFY IT:

The Importance of Signs

WHAT GOOD is a new or remodeled bank building if the public can't locate it easily? New business would be pretty hard to get if only established customers knew where the bank was located.

Identifying and advertising a bank is one of the primary reasons for utilizing signs—be they picturesque colonial signboards, flashy neon, time-and-temperature or monolithic affairs with six-foot letters atop a skyscraper.

In today's complicated and highly competitive marketplace, corporate identification must work harder than ever before, say the people at American Sign & Indicator Corp., Spokane, Wash.

Corporate identification must have good "business sense," a winning way with employees and even an environmental "conscience." These are the qualities that give meaning to a corporate identification program and make it a tangible, black-ink asset, a spokesman for the firm states.

But how is good "business sense" designed into a corporate symbol? By making certain the symbol contains—and communicates—the characteristics that make the bank distinctive. American Sign's spokesman says the successful symbol has its own personality. It is able to meet people for the first time and leave an accurate impression of the bank. It pleases present customers and attracts new ones.

It also gives a family resemblance to all phases of the bank's operation, from exterior building identification to business stationery. It elevates public recognition of the bank to a level above that of the competition.

The result is to create awareness of the bank and to build a reservoir of good will in the community.

A sign should be considered the final and most important link between the public and the financial institution, says Henry P. Wolf, vice president/general manager, Arrow Sign Co., Chicago. The overwhelming majority of viewers of signs are potential customers and are in a position to act immediately upon impulse when seeing a bank's sign, he says.

"The design of the building, the layout of the parking area, the position of the driveways and lawns and the locations of the entrances and streets are

important factors that should determine the position of the primary sign at each location," Mr. Wolf says. "The sign should be mounted either at the main entrance of the building, in the main parking lot or at some specially designed area on the lawn. Smaller directional signs should be utilized to inform the public where to park, how to use drive-in facilities and about other important information.

Mr. Wolf advises that signs should be illuminated, if possible, because a great portion of the viewers (and potential customers) pass the sign during the evening hours. Any bank that doesn't take advantage of illuminated signs is losing valuable advertising exposure, he says.

The most popular type of sign used by banks is time-and-temperature, although those utilizing public information signs run a close second, Mr. Wolf says. The use of computerized electronic information centers permits banks to tell the public about their services as well as court the goodwill of various sectors of the community by flashing area news about local events.

Good building identification often creates awareness and causes a decision to choose a bank when an individual moves, says J. E. Buckley, market planner, Federal Sign, Blue Island, Ill. He says newcomers often note a bank's sign before they have an opportunity to establish reading and listening habits

in the new area that would expose them to a bank's print and media advertising.

This fact was confirmed by a survey taken in a large city where 500 new potential depositors, all heads of households with college degrees and with above average incomes, had moved into the area and bought homes, Mr. Buckley said. They were asked if they could name the business located in the big glass and aluminum tower that could be seen on the skyline on the way into town from the airport. Only 9% could identify the firm.

It isn't surprising to learn that the survey also indicated that all of the prime potential customers had deposited money somewhere—undoubtedly not at the bank located in a 20-story high rise that was identified by a sign featuring letters only five inches high over the entrance.

Mr. Buckley says a sign can be utilized to not only identify a bank's convenient location, but to advertise its services and to even project a friendly image.

Banks are making exceptionally good use of signs for other purposes, Mr. Buckley says, including updating their corporate symbols, building greater recognition with the public, improving pride and morale of employees, improving the visual appearance of the premises and besting the signs of their competitors.

He says the value of on-premise advertising through signs should not be overlooked by bankers. Advertising with signs targets in on the bank's prime audience with an approach that can attract new customers and sell more services.

Dennis Zambruk, president, Architectural Communications, Denver, says that signs are often misunderstood. Environmentalists are against them and cities are trying to eliminate them. Critics think that elimination, rather than better planning and design, is the solution.

Mr. Zambruk's firm approaches a signage program through a sequence of fundamental planning procedures, beginning with a drive up each street in the bank's vicinity. Physical characteristics are noted, such as height of buildings, trees and other objects. Street



Distinctive signage was devised by use of bank's corporate seal as both exterior wall identification (l.) and oversized door handles at main entrance. Manufacturer is Lake Shore Markets, Inc., Erie, Pa.

The National Advisory Board is a Great Natural Resource



Seated, from left
Raymond Rebsamen, William Seawell, R. E. L. Wilson, Frank Pace, H. L. Hembree, The Right Reverend John M. Allin, Fred M. Pickens.
Standing, from left
William H. Bowen, President, Commercial National Bank; George Stinson, Sidney A. McKnight, Richard C. Butler, Sr., Chairman,
Commercial National Bank; Kemmons Wilson, Charles H. Murphv. Jr., C. M. Kittrell.

Arkansas' National Advisory Board has just finished its 5th anniversary of service and its work has proved to be one of the state's great natural resources.

18 native sons who have risen to national or international prominence in business and civic leadership come together annually to help their native state.

They give of their time to look at problems and recommend courses

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Their work is published in a report each year and distributed to decision makers in government and business.

Commercial National is proud to play a part in bringing these men together for the good of Arkansas. We salute them on their fifth

anniversary and commend them for their selfless contribution to their native state.

For your free copy of any of the four reports from the National Advisory Board, write or call William H. Bowen, 1-800-482-8430.



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The latest in bank signage is illustrated by these photos. At left is time-and-temperature sign showing Celsius (centigrade) temperature, which testifies to the approaching adoption of the metric system in the U. S. The sign also displays Fahrenheit temperature. At right, insertion of word "at" takes place of traditional dash or hyphen separating temperature and time figures. Both signs are products of American Sign & Indicator Corp., Spokane, Wash.

traffic patterns are noted, visibility of the site is considered and location of parking areas are taken into consideration.

Every effort is made, Mr. Zambruk says, to see the bank site through the

eyes of bank customers, for the customers are the people who will be looking for the signs to tell them where the bank is, how to get to the drive-in, where to park, etc.

He says bankers should consider

signage programs as long-term investments, rather than as merely expensive undertakings. The cost of a project can be minimal when the expense is prorated over the years the signs will be used, he says.

Most sign people will agree that a well-designed signage program that expresses bank efficiency and dependability will provide a competitive plus to the bank, increase the bank's impact, help its customers and create a lasting impression on the people of the community.

Banks in smaller communities require identification for their structures just as those in larger metropolitan areas do, says Al Kurtenbach, president, Daktronics, Inc., Brookings, S. D.

He says it is important to illuminate or back light signs during the evening hours. This identifies the bank to potential depositors.

One or more outdoor displays will complement the bank's architecture while bringing the bank's name and community interest features to present and prospective depositors, Mr. Kurtenbach says. He adds that signs capable of carrying brief general interest announcements can garner good will for a bank. • •

K. C. Bank Uses Nostalgia to Spotlight Remodeling Programs and Anniversary

THIS YEAR, Commerce Bank of Kansas City completed not one, but two, remodeling programs and is ob-

serving its 110th anniversary. Thus, the bank has had a great opportunity to mount a three-pronged advertising program.

The bank began this ad campaign last March by sponsoring two TV commercials on the just-remodeled 10th Street lobby. The spots were centered around the lobby's contemporary look and its focal point, a 12-ton vault that has been there since 1906. The campaign's purpose was to draw attention to the first phase of the bank's remodeling program as well as to its long history.

Later in the spring, Commerce Bank began promoting its anniversary by running print ads on the theme, "Faith in the future . . . a link with the past." In each of these ads were juxtaposed a figure from the bank's past and one of its current leaders. For instance, one ad featured the late President Harry Truman, who was a clerk at Commerce in 1904, and Paul Clendening, who joined the bank in 1973 and is in the metropolitan division.

The second phase of the print campaign began last summer in preparation for the September opening of the Walnut Street lobby. This program consisted of four ads, each centered around

some event in the bank's past, but including a sketch of the newly remodeled Walnut Street lobby. One of these ads had the intriguing headline, "In 1920, our bank liberated ladies from their stockings." The ad went on

The people of Commerce Bank:

Faith in the future... a link with the past.

Commerce Bank of Kansas City

Former employee of Commerce Bank, Kansas City—late President Harry Truman—was featured in this ad, along with present staff member, Paul Clendening. Mr. Truman worked for bank in 1904. Purpose of ad was to promote Commerce Bank's 110th anniversary by linking its past with its future.

In 1933, our bank had a run on red apples.

Commerce Bank of Kansas City

This ad, part of comprehensive campaign conducted by Commerce Bank, Kansas City, combined event from bank's past—how its chairman helped get bank through panic year of 1933—with present, opening of bank's modernized Walnut Street lobby.

to explain that in the early days of this century, women were far more likely to keep money in their stockings than in checking accounts. Many banks even set aside special "stocking rooms," where the women could remove the money discreetly and deposit it in the banks. At Commerce, the ad continued, "we went a step further. We opened our women's department. Women were encouraged to drop in when they were shopping and talk, in strictest confidence, to Mrs. Beebe, the department manager. She answered questions that ranged anywhere from how to estimate the cost of wallpaper to how to make out a household budget. Most of all, she encouraged women to become more financially knowledgeable and to put money in their checking accounts instead of their stockings." The ad's copy then told how women—and banking—have come a long way from stocking rooms to the bank's women's department to full-scale banking for all customers. Over the years, said the ad, the bank has made changes in other bank facilities, too, and "Today, it's happening again—in our Walnut Street Lobby."

Another ad illustrated how Commerce Bank always has met the needs of its customers, even in the bank panic

year of 1933. At that time, this ad said, Chairman W. T. Kemper hit on the idea of handing out apples to all depositors standing in line waiting to take their money out of the bank. According to the ad, they got their money, but—following the bank holiday in March, 1933—Commerce Bank's customers brought their funds back, and, by the following December, deposits had grown from \$59 million to \$90 million. Again, the ad tied the past in with the new Walnut Street lobby by pointing out that "for 110 years, through good times and bad, we have always met the money needs of our customers. And, periodically, we update our facilities and our methods to keep pace with changing times."

"Today, it's happening again—in our Walnut Street lobby."

Commerce Bank climaxed the completion of the Walnut Street remodeling program by sending out unusual invitations to a September 23rd open house. The invitation was in the form of an eight-page booklet, which included pictures of the bank's original home in 1865 and the "skyscraper" it moved to early in this century, its landmark clock and the opening of its escalators, the city's first, with the ribbon cutting done by the late Arthur Eisenhower, a bank

officer and brother of the man who later was to become a U. S. President, Dwight D. Eisenhower. The booklet also contained a postcard for recipients to fill out and mail back to the bank if they were going to attend the open house.

With this advertising campaign, the bank was able to combine nostalgia by spotlighting events and people out of its past with the present and future by also focusing on how Commerce continually seeks ways to improve its services and facilities. • •

'Rich' Food:

Hospital's Birthday Cake Is Donated by Area Bank

What's sweet, gooey and filled with dimes? It's the cake that Cook Children's Hospital, Fort Worth, used to celebrate its 23rd birthday.

The layer cake, which was donated by Continental National, contained 250 new dimes and was served to younger patients by members of the Women's Auxiliary of Cook Children's Hospital and Junior Auxiliary volunteers.

In addition, Moolah Shrine clowns provided entertainment, and a local dairy provided the ice cream used to top the cake.

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LEFT: Union Nat'l, Wichita, opened facility in this pre-engineered building supplied by Butler Manufacturing Co. Structure was erected under design/build system, which, according to Butler, shortens building timetable considerably. RIGHT: Interior of Union Nat'l facility features integrated lighting/ceiling panels, part of Butler's Space Grid system.

Construction Is Fast, Economical With Pre-Engineered Buildings

BANK ARCHITECTURE is reflecting the industry's emphasis on smaller, decentralized operations instead of the more monumental structures traditionally favored by metropolitan-based commercial banks.

This trend began three decades ago when the nation's population began to shift to the suburbs, spawning shopping centers, greater reliance on the automobile and increased competition from new banks and other financial institutions operating on cities' outskirts.

Gradually, these financial upstarts began nipping into the larger, downtown banks' market share to wherever—legally possible—even the commercially oriented ones have begun opening branches or making acquisitions in residential areas. Today, bank marketing

By **ROBERT SMETANKA**
Marketing Manager
Butler Manufacturing Co.
Buildings Division
Kansas City

strategists admit that a modest-scale facility, if properly located and tailored to customer convenience, can generate resources totally out of scale with the building's dimensions.

But in the same breath, property officers will bemoan that while banks may be getting smaller, building costs are at a record peak.

For that reason and others, expanding banks are exploring methods to cope with the inflation-plagued construction industry. Pre-engineered building systems are emerging as one means of acquiring predictable costs, more flexibility, lower budgets than with conventional buildings and improved potential such as a recently developed multistory capability.

In most instances, contractors who employ building systems will claim at least 10% savings over conventional, although most prefer to stress the systems' faster occupancy and flexibility as even more noteworthy.

Yet little more than a decade ago, building systems were being upstaged by the hammer-and-nails approach to

bank construction. Systems then offered couldn't meet design standards appropriate to financial service facilities.

The early systems—commonly referred to as rigid frames—had the same characteristic, high-pitched roofs associated with metal buildings, an objectionable profile to place along a commercial street. Therefore, the building systems industry resigned itself to supplying primarily structures to either industry or agriculture and steered fairly clear of commercial markets.

That changed in 1965, when Butler Manufacturing Co., the world's largest systems fabricator, unveiled Space Grid, an advanced building system that lent architectural respectability to the factory-produced option to on-site construction.

Space Grid's flat roof and cleverly integrated componentry went far beyond satisfying a need for a more flexible and economical method for building schools. Architects began adapting it to commercial buildings, and the system's rapid acceptance led Butler later to develop Landmark, a system with an equally low profile, but one that features a metal roof for the more maintenance-conscious buyer.

Referring to Space Grid or Landmark as metal buildings is like referring to a Continental Mark IV as a flivver. They have grown to account for a significant portion of our commercial business.

Over the last 10 years, the two systems' components have been expanded and refined: fire-rated lighting/ceilings, aggregate stone wall panels indistinguishable from site-poured mix, insulated window/wall modules and other components. One manufacturer has



TOP: Unusual design is featured in pre-engineered quarters of branch of Tri-City Bank, Kingsport, Tenn. Structure was built by Lyle Construction, Kingsport, Tenn., which offers turn-key, design/build services.

BOTTOM: Modernistic quarters of Luke Federal Credit Union, Phoenix, show how pre-engineered building systems are flexible enough to meet any design standard.

even launched an extensive test program designed to establish certified thermal efficiency data to help owners conserve increasingly expensive energy.

But if I had to peg down a major reason for our industry's remarkable track record, I'd have to say it stems from an increase in design/build. More and more of our builder representatives are establishing in-house design staff or arrangements with local architects to expedite the building process and provide better control over costs associated with design requirements.

Design/build is clearly on the rise in bank construction. It shortens the timetable considerably and allows the contractor, architect and owner representative to work as a team in suggesting more economical material options instead of the severe restraints imposed by conventional bidding procedures.

Peoples Bank, Honaker, Va., is a testament to how design/build works. The two-story public-service bank occupies a small tract of land in the rolling, coal-laden hills of Appalachia, one rea-

son the bank's officers decided to select a two-story Space Grid.

"Flat land is at a premium around Honaker," explained architect William Hamilton Wallace, of Kingsport, Tenn., who served the design function on the design/build team. "The bank's new charter also posed another consideration. They wanted occupancy as soon as possible."

Lyle Construction Co., also of Kingsport and the bank's general contractor, spearheaded the project. An experienced bank builder with numerous facilities to its credit, Lyle's group met regularly with Mr. Wallace and the bank's representative.

"We worked as a team," Summers P. Lyle, company president, said. "By streamlining the building process, we could maintain strict control over costs from the very outset."

Mr. Wallace concurs: "A comparable building built conventionally would have taken two to three times longer following traditional bidding procedures. Using a building system enabled

us to skip the shop drawings altogether because the manufacturer supplies them.

"Design/build offers many advantages to the client," Mr. Wallace added. "The key to it is the contractor's level of expertise. Mr. Lyle and I have worked on many design/build projects in the past."

The building's lower floor serves as bank lobby and officer station, with the upper level housing bookkeeping, a conference room, lounge and storage. The red-bricked exterior illustrates why building systems sales have soared 317% in 10 years compared to a 98% increase for the entire nonresidential construction industry.

Our structural components are produced in the factory where labor costs are much lower. They eliminate welding and much of the other work required for conventional bar-joist construction. Any time you reduce the amount of field labor, you correspondingly reduce the cost for the building.

(Continued on page 86)

Free-Standing Bldg. Designed to Fit in With Electronic Funds Transfer Era

THE BANK CUSTOMER long has suffered from a lack of convenience—a lack that wouldn't have been tolerated in any other consumer-service business in the world. The only reason banks haven't suffered severely from their lack of convenient locations—especially in nonbranching states—is because some regulatory agencies that controlled their franchises, buildings and services were hampering all banks equally, and the customer had no place else to go.

By **LARRY CAWTHON**
President
Cawthon Building Systems
DeSoto, Tex.

The tremendous upsurge of electronic funds transfer services, however, has changed all that. Now the consumer not only has more services, he (or more frequently, she) has these services at hours that would be impossible for a retail store to offer—24 hours a day, to be exact. But with this round-the-

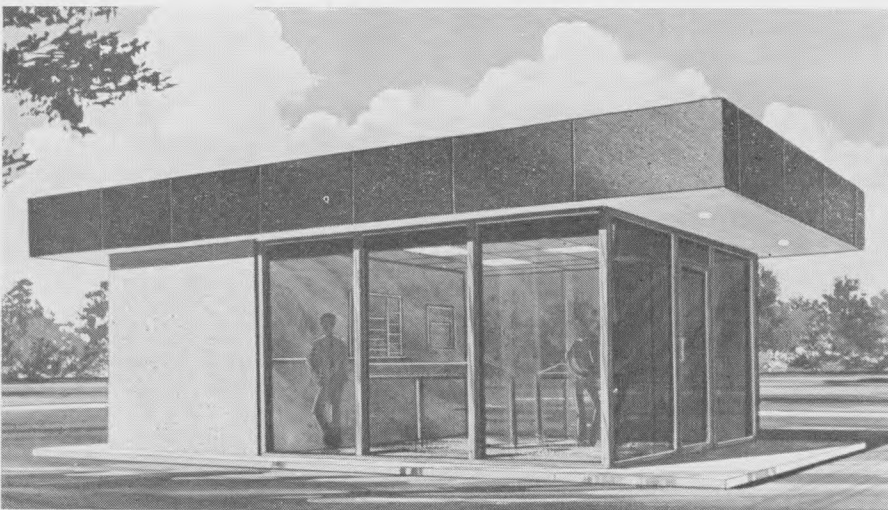
clock service has come certain hazards, and our firm is well equipped to help the bank cope with these hazards.

The main bugaboo is the possibility of a bank customer's being ambushed when making a deposit or cashing a check in the middle of the night.

Cawthon—which has long specialized in certain types of bank buildings—has devised a free-standing structure that we call a customer-bank communications terminal, or CBCT. This building, which we manufacture in our factory in DeSoto, Tex., and deliver and assemble on the site of the bank's choosing, has several advantages. First, of course, is the speed, convenience and economy of building. Our plant works independent of weather conditions, on a production-line basis, and turns out buildings in much less time—and for much less money—than conventional building methods.

Even more important from the standpoint of the bank offering EFT, the building is designed to offer maximum visibility from all directions. Not only are the lobby walls glass, but there is provision for high-intensity back-lighting, making the facility unattractive to anyone with robbery on his mind. One design offers a drive-in capability.

Cawthon buildings exceed the rigid requirements of the Southern Building Code for conventional buildings and offer all the durability, appearance and prestige of a conventional building. For



This is example of customer-bank communications terminal (CBCT) manufactured by Cawthon Building Systems. These structures are manufactured in firm's factory, then delivered and assembled on sites of banks' choosing.

all its speed of construction and economical cost, plus the fact that it can be relocated within 48 hours if necessary, it is as permanent and can be as luxurious as the purchaser desires. It comes in a variety of sizes and façades and is delivered complete with steel exterior rear doors with locking bolts, conduit provisions for alarm systems, plenty of space to service equipment (including a work table and space under it for supplies) and a complete heating and air-conditioning system, plus electrical wiring and fixtures. The weather-control unit offers more than comfort for the customer—it also offers maximum protection for the computer in the teller machine.

The low cost involved in our CBCT unit, plus its ease of construction and relocation, makes it economically feasible for banks to place these units in as many locations as they desire. Indeed, we foresee the day when every high-density population area will include its EFT unit—possibly with several banks, S&Ls and credit unions all using the same building. It's our intention to see that as many of them as possible are housed in Cawthon buildings!

Cawthon is looking forward to the day when all the litigation and cumbersome, outdated regulations are cleared away, enabling financial institutions to offer the customer the ultimate in service. And we believe many of them will choose Cawthon to serve their customer with the maximum in space, convenience and security with the minimum in expenditure of time and money.

Flexible and Movable



This is one of Diebold's "financial buildings," which can be manufactured in a factory, then shipped and assembled on a bank site within 90-120 days after they are ordered. Individual building sections are virtually complete entities when they arrive at the installation point. Wiring, plumbing, lobby equipment, teller undercounter equipment, vault, employee facilities, air conditioning and heating are in place. Even fluorescent lamps are in position. There are provisions for telephone and alarm hook-ups. Depending on the original order, the building will include complete interior decorating, from draperies to desks and carpeting. There are several exterior designs so that, according to Diebold, such a building will "be as architecturally at home in New England as in New Mexico." Another feature is that these buildings can be moved to different locations.

Construction Is Fast

(Continued from page 85)

We can save at least one-third the time requirement of comparable conventional work.

A glance at the U. S. Bureau of Labor Statistics report for 1974 shows that factory workers averaged \$4.65 per hour, whereas construction tradesmen earned an hourly average of \$6.75.

Inflation has actually worked to our advantage. The more unions push for in wage negotiations, the wider margin of savings our building systems can provide.

An example of the widening margin between building systems and conventional construction was illustrated recently in Wichita, where Union National, a large downtown commercial bank, built two facilities on opposite ends of the city. The impetus for building them, according to Terry Keller, vice president-operations, was Kansas' earlier passage of a limited-services-facilities act that allows two freestanding facilities other than a drive-in so long as they are within a bank's city limits.

Mr. Keller first commissioned an independent design source to prepare plans and specifications for a 4,800-square-foot branch on the eastern, primarily residential, side of Wichita. The plans would be modified to build a somewhat smaller unit on the city's western, more industrial, sector.

"The base bid returned was in excess of \$100 per square foot," Mr. Keller said, "and far more than our budget. So I trimmed off 800 square feet and closed in a lot of area intended for windows before authorizing a new series of bids."

The second round proved equally frustrating. The low bid—in excess of \$80 per square foot for the conventional building—not only still exceeded budget, but raised continued delay in the building program.

So Mr. Keller contacted a building systems contractor with in-house design staff. The Decker Construction Co. agreed to assume design and construction responsibilities for the originally proposed 4,800-square-foot bank, including its mechanical and electrical requirements, for \$60.25 per square foot. The Space Grid proposal won Mr. Keller's approval.

Both banks were built and feature integrated components and open-space interior planning with natural wood paneling as a tasteful accent.

"Our buildings are both attractive

and highly functional," Mr. Keller says of the brick-faced structures. "They not only are beautiful architecturally, but also are designed for flexibility and expansion." • •

Permanent—But Portable

A portable structure that has the look of permanency is the way WRS Enterprises of Louisiana, Inc., Slidell, describes the buildings it manufactures. All units are constructed on concrete slabs, and slabs and all are transported to the sites, where they are assembled. The firm maintains that it takes less than 30 days from start of site work to final occupancy.

These buildings can be expanded from 480 square feet to more than 3,000 square feet, and all interior equipment is optional.

Another feature of these buildings is that they can be moved from one site to another.

RMA Conference

(Continued from page 24)

Awards. A Mid-Continent-area banker was the second place winner in this year's RMA national writing competition: Steve Stillman, who is with Continental National, Forth Worth. His paper, entitled, "The SBA Revisited: A New Look at Some Old Wives' Tales," was chosen from among entries that had taken top honors in competitions held earlier in the year by several RMA local chapters across the country.

New Releases. Those in attendance at the conference got the first peek at a new training film, "Tender Traps II: International," which illustrates pitfalls bankers should avoid in negotiating, analyzing and approving international loan transactions.

The 40-minute, 16mm film contains two parts and is a sequel to the original "The Tender Traps" production, which deals with domestic lending. In part one of the new release, a lending officer and an associate discuss a credit request from the senior financial officer of a large corporate customer. As they talk, they fall into the traps—at least 20 of them—which the audience is challenged to detect. In the film's final segment, the traps are revealed and discussed by the pair. Each trap is identified by a subtitle as it is reviewed.

The film can be ordered from the RMA national office in Philadelphia for \$225 per print, and is offered for the rental price of \$50.

Also announced during the confer-

ence was the publication of a set of "Guidelines for Upstream/Downstream Correspondent Bank Loan Participations." Its release was accompanied by a panel discussion of how the 11 guidelines for single instance loan participations can be implemented. Copies have been mailed to RMA individual representatives throughout the nation and to CEOs of all U. S. banks. • •

BAI's Bank Officer Survey Examines Salary Programs

PARK RIDGE, ILL.—A Bank Administration Institute survey shows that salary administration programs in a majority of the nation's banks reflected a sensitivity toward inflationary pressures in 1974.

In its *Sixth National Bank Officer Salary Survey*, the trade association has revealed that about 60% of banks surveyed in the under-\$50-million category gave cost-of-living increases in 1974. The highest increase ranged between 5% and 10%.

The BAI indicates that banks over \$50 million also reacted to last year's tight economy, with 56% of surveyed banks granting cost-of-living increases in the 5-7% range, but that overall salaries in 1973 and 1974 increased at an annual rate of 7.5-8%.



Pictured at the 42nd annual sauerkraut party held by Fifth Third Bank, Cincinnati, are (l. to r.) David V. Lakes, v.p.; Willis G. Moremen, e.v.p., Ky. Bankers Assn.; William S. Rowe, bank pres.; William G. Grannan, admin. asst., KBA; Dr. R. H. Scobee, v.p., and H. C. Besuden, dir., Peoples Commercial Bank, Winchester, Ky.; and Clement L. Buenger, s.v.p., host bank. At the party for correspondent bankers, guests played cards, horseshoes, tennis, golf and bowled, besides being treated to sauerkraut with all the trimmings.

Furthermore, the survey showed that CEOs of about 2,500 banks in the U. S. having resources under \$30 million averaged less than \$30,000 in annual base pay during the 1973-74 year. In the same category, the study shows, 45 presidents earned over \$40,000 annually and one earned less than \$7,000.

CEOs in the New York, Pennsylvania and New Jersey region recorded the

highest median salary level, while those in an area comprised of Alabama, Kentucky, Mississippi and Tennessee earned the least.

The survey examines 50 key positions in banks over \$50 million and 13 key positions in banks under \$50 million, reflecting salary programs for a work force of more than 68,000 officers. In all, 4,418 banks responded.

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Stern Brothers has been helping build businesses in the Mid-West for over 50 years, through the sale of securities to investors, either by public offering or private placement.

As one of the 50 best capitalized investment banking houses in the country, and with our regional expertise, we are able to gain the strong regional support that your client's issue warrants.

We will work for your client's interest: Stern Brothers never acts as an agent for another party. We invite you to inspect the list of issues we've handled during recent years. The bankers' banker. We work for the same thing you do: the growth of your depositors.

Stern Brothers & Co.

9 West 10th Street, Kansas City, Missouri 64199 (816) 471-6460



Wall behind teller line at Brookhollow Nat'l, Dallas, features diagonal pattern in red-orange-pink color scheme. Officers' desks are in foreground.

Interior Designers Create Unique Environment For Bank Moving Into Existing Building

AFTER 18 months in new quarters, the management of Brookhollow National in Dallas is able to answer the tough financial questions posed when considering renewal of an old facility or construction of a new one. Is it worth the effort? Brookhollow management says yes, as it notes that deposits and total assets have doubled since entering the new quarters.

The Brookhollow National success story tells how an aggressive bank created a totally unique environment within the confines of an already-built space. It also tells how functional planning and architecture meet and meld with a sparkling, crisp interior, expressive of the kind of responsive service Brookhollow National renders.

The story began when the architects, Pierce, Lacey Partnership, and the interior designers, PLM Design, Inc., were told by bank President Jim Clark that this bank must not look like any other bank, that it should house an incredibly fine contemporary art collection and that it must fit into a pre-existing space. Thus, each team, the architects and the designers, began the formulation of their joint efforts which resulted in a fresh approach to how a bank can look.

The first challenge was presented by the space the bank and the architects and designers had to work with. There were three entrances, each equally important, insufficient space to house the bank functions and a bank divided in half, vertically. Operations couldn't be put on the second floor, away from the tellers. The tellers and officers required too much space to accommodate both groups on the first floor, and neither one would have its functional back-up of accounting, credit files, notes, or loan department information. There wasn't enough extra room within the existing box to put an elevator to the second level, which is essential, and a public stairway.

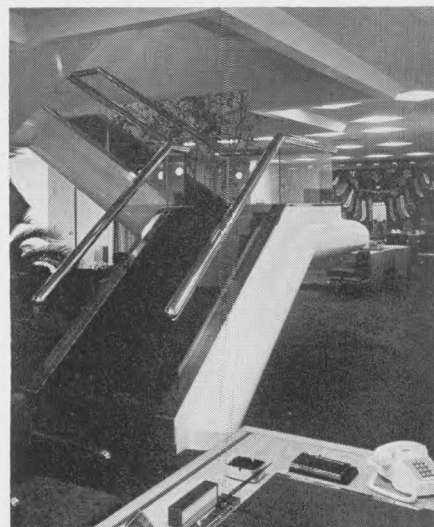
Thus, the problem: How do you make two completely separate floors act as one, without losing function or creating a secondary feeling to one area or another?

A practical and exciting solution emerged, stimulated both by the goals of the bank and the complicated problems of the space that was to be used. What emerges is the breaking-out and, at the same time, pulling together of functional areas by architectural design.

The vertical circulation, the elevator and stair, were moved out of the main



Greenhouse effect was achieved in section of building linking first and second floors. Elevator and stairs are located in this section.



Nine-by-14 foot wall hanging at far right, called "mola," portrays American Eagle and is on wall facing teller line. Stairway features chrome handrails "floating" on glass.

rectangle into what would have to become a two-story link.

There had to be some visual assurance to a customer that the second floor was just as important as the ground floor. Also, the acceptance of the idea that there was a fully integrated second floor made it possible to arrange the various elements—the tellers, book-keeping, the vault, the new accounts and consumer loan officers—where they were most accessible, on the ground floor, and easily seen from all three entrances.

This conceptual breakthrough having been achieved, the architects were able to proceed with planning based entirely on the best banking procedures.

The talent and skills of the interior designers came into play as the team began formulation of how to integrate the spaces and build detailed function into every person's work area. Their point of departure in selecting colors, textures and furnishings began with the significant art collection which contains Honneger, Lichtenstein, Ellsworth Kelly, Frank Stella, Matisse and new art commissioned for the bank.

The designers decided that a neutral backdrop would be best for the art. Unlike most designers, who would have kept everything neutral and bland and

subordinated to the art, the PLM team decided to let the art speak for itself and further formulated a close harmony color system in the red family for certain key wall areas and the floors. This was done to keep the space mobile, not static, and to reinforce the importance of the art.

The architects, to play up the integration of the two floors and their equality of importance to the total banking function, cut holes in the floor at strategic locations so people could look up and see the entire space. A tower was created for the elevator, and a greenhouse enclosure was created to receive the stairway which would not fit in the existing space. Patterns and lines of light were created in the ceiling (which the designers reinforced with carpet pattern) to emphasize the location of the retail tellers and the pathway to the elevator and the second floor. Walls were angled to provide needed functional room and to unite widely separated entrances.

As the two stories of functional planning and interior design began to converge into one, the teams decided to use space extenders such as mirrors to create the illusion of yet more space. Chrome handrails were floated on glass. The light from the roof skylights and

new greenhouse was fed through holes in the second floor to the ground floor. The red-orange-pink color scheme became a diagonal pattern, fabric-covered wall behind the teller line.

To balance the color wall behind the tellers, a "mola" original artifact portraying the American eagle was commissioned to become a nine-by-14 foot wall hanging, placed at the opposite end of the first banking floor.

Desk and open work stations behind screens were used for all officers, including the president, to express the spaciousness of the bank and its policy of openness with its customers. There have been no complaints of loss of privacy from this system. Officers feel they have better communication with both their staff and customers, and consider the plan a distinct breakthrough in improved procedures.

The real test comes, though, in banking numbers and profitability. In today's harsh atmosphere of bank profits, Brookhollow National has been able to raise annual revenue significantly.

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LEFT: Taking part in regulation session at BMA conference were (from r.) Michael R. Cobb, manager, planning & services development, First Nat'l of Oregon, Portland; Donald P. Jacobs, dean, Graduate School of Management, Northwestern University; and Russell C. Browne Jr.,



adviser for payment systems, Comptroller of the Currency's office. RIGHT: Breakfast discussions were held on second morning of conference. This group discussed EFT planning for small banks and was led by David S. Sutton (c.), First Ogden Corp., Naperville, Ill.

Bright Picture for EFT Is Presented At BMA 'Banking on EFT' Conference

By JIM FABIAN
Associate Editor

A SMORGASBORD of EFT information, including predictions for the future, was served at the "Banking on EFT" conference sponsored by the Bank Marketing Association in Chicago last month.

The program was designed for both bank marketing and operations people and the overriding theme of the conference was that no banker should become discouraged over the seemingly formidable problems presented by EFT, which to some strikes visions of a horrible monster.

The positive side of EFT was presented by speakers who showed—by films and slides—how their banks had met and bested the problems facing their EFT operations.

Notable among the illustrations was the story of Tillie, the personified automated teller machine (ATM), that has enabled its sponsor, First National, Atlanta, to jump from fourth to first place in the use of ATMs in its market area.

Also told was the success story of ATMs installed on the premises of two Florida retirement centers by Sun Banks of Florida. The machines have proved to be popular among the older set, members of which are encouraged to pedal their three-wheel bikes up to the machines and conduct their banking business without dismounting.

The regulatory aspect of EFT was presented by Russell C. Browne Jr., adviser for payment systems of the Com-

troller's office, and Donald P. Jacobs, dean of the graduate School of Management at Northwestern University.

They told delegates that technology is making regulatory change less important; that the emphasis on EFT is shifting from Congress to the courts, where the all-important issue of whether a terminal will be classified as a branch will be decided.

If the courts rule terminals are not branches, Dr. Jacobs said, the McFadden Act, in effect, will become a moot issue.

The issue probably will be decided by the U. S. Supreme Court, Mr. Browne said, because federal district courts have a tendency to disagree on the branching characteristics of an ATM.

The Financial Institutions Act has been largely sidetracked in Congress by the New York City crisis, Mr. Browne said. He added that pressures for regulatory reform are likely to result in a combined federal regulatory agency in this session of Congress. He advised bankers to attempt to guide legislators in the writing of EFT legislation so that the end result will be one that bankers can live with.

If terminals are ruled to be branches, a negative impact on EFT would result and great pressures would build to break down current geographic regional restrictions because banking's competitors are not limited geographically, Mr. Browne said.

Dr. Jacobs said that, if terminals are

ruled to be branches, the number of commercial banks in the nation will decline but the number of financial institutions in the nation will remain constant. Commercial banks would retain commercial, but not consumer, accounts, he said.

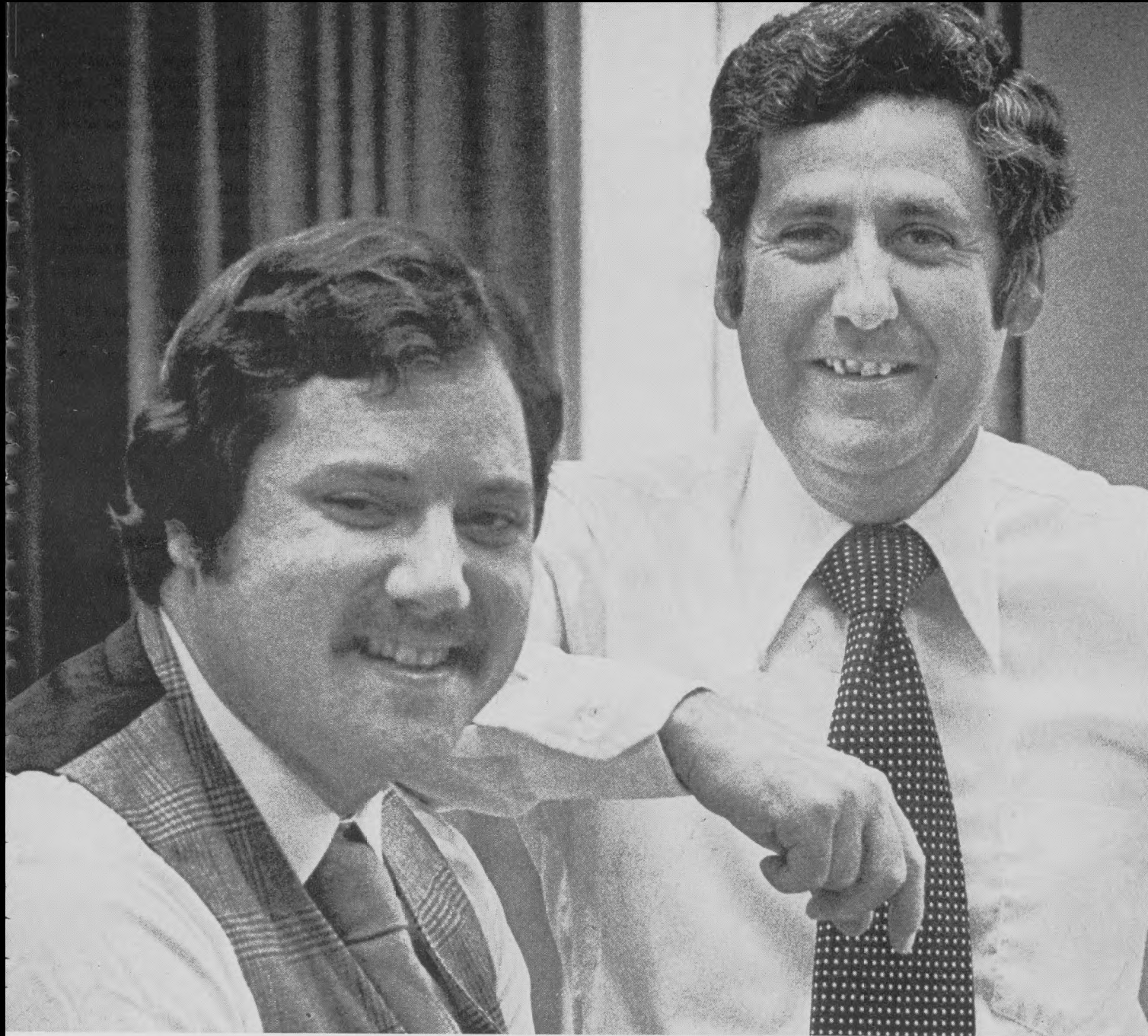
Dr. Jacobs also said that bankers are trying to be anti-consumer, which is a losing stance for them to take. He said bankers can't turn back the clock because they no longer have a monopoly on financial services. Once a consumer gets a good deal (such as a negotiable order of withdrawal account), he won't give it up. He sees other financial institutions as more liberal than banks; thus, he feels he can demand that banks provide similar services.

According to Mr. Browne, small banks are better at the competitive game than larger banks because they know their customers better. Small bankers can select EFT services that their customers need without having to offer every EFT service. He said success is dependent on brain power, not deposit size.

A panel of non-bankers presented the viewpoints of the retailer, the thrift institution and the credit union. Retailers consider POS terminals to include cash register functions, a stance that is considerably different from the bankers'. Retailers insist that terminals capture inventory information and they are being advised to make careful investigations of banks attempting to sign them up for POS.

The thrifts see EFT as a means of getting deposits at lower cost. They feel that merchants should not charge fees to financial institutions installing POS terminals in their stores and they also feel that POS sharing is essential, primarily because it reduces the cost of participation.

The credit union industry is investigating the use of ATMs but is not



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interested in POS terminals. Its goal is to complement the services of commercial banks through the use of EFT.

Robert S. Brown, vice president, Interbank Card Association, New York, advised bankers not to get bogged down with the multitude of EFT information being disseminated. He said bankers should remember that EFT is not a product, thus it doesn't result in new products.

He cautioned bankers not to rush into EFT and to try to work within state regulations because they are slow to change. He also said that EFT is not a panacea for a bank's problems.

The conference was concluded by John F. Fisher, vice president, First Banc Group of Ohio, Columbus, who was introduced as "Mr. EFT." He traced the history and development of EFT, much of which took place under his direction at City National, Columbus, the bank that pioneered the POS concept and is the first bank to introduce the Entrée card, a new debit card being offered by National Bank-Americard, San Francisco.

Mr. Fisher advised those in attendance to lay down a "plastic blanket" in the marketplace by issuing debit cards to all customers, to install ATMs,

support the ACH concept, establish a complete central information file and support the introduction of switching through the clearing house association with full national interchange.

He said EFT will result in the erosion of geographic protection, reduce teller-assisted transactions, force the re-designing of basic retail services and stimulate price differentials between self-service and teller-service operations.

He summed up by stating that EFT is not a put-on and that bankers should not delay too long in its adoption. • •

A Community-Winning '76 Promotion for you

Judge Calls ATMs 'Branches'; Orders First Nat'l, St. Louis, To Disconnect Two Devices

ST. LOUIS—U. S. District Judge James H. Meredith has ruled that mechanical devices that perform deposits and withdrawals are branches in Missouri and ordered First National to take down two off-premises ATMs in St. Louis County.

Judge Meredith said the state defines a branch as "any branch office, branch agency, additional office or any branch place of business . . . at which deposits are received or checks paid or money lent," and gave the bank 30 days—until December 15—to comply with his order.

The judge also noted that federal laws allow a national bank to establish branches anywhere in a state, provided the Comptroller has approved and that state laws allow state banks to do the same. Missouri law doesn't allow operation of a branch outside the "county in which its principal banking house is located," although two branches of a bank may be operated within the same county as the bank's main office.

The city of St. Louis, First National's principal place of business, is classified as a county, thus the ruling pertaining to operations in St. Louis County.

Following the decision, a First National spokesman said the bank would appeal the ruling.

The bank placed the electronic tellers at the Emerson Electric Co. plant and a Jay-Bee Food Store last December after the Comptroller said ATMs weren't bank branches, but William R. Kostman, state commissioner of finance, disagreed and filed suit.



Popular artist Donald Dodrill has prepared these exciting sketches of twelve significant figures and events in American history, from the Battle of Concord Bridge to the first men on the moon. We're making them available to you exclusively in your marketing area for your own promotional activities. Printed on high-quality 8½-by-11 inch paper, they make valued gifts to your present and prospective customers. Used separately or in sets, these prints are ideal to encourage savings deposits or other services, to build traffic and recognition, to welcome new families, to build goodwill and relations with community organizations and schools, and to kick off your own Bicentennial program.

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Liberty National of OC Shares Check System With 18 Other Banks

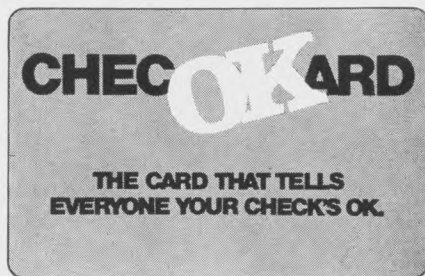
OKLAHOMA CITY—Liberty National has announced it will share an on-line computer-terminal-based check guarantee and verification system, called "ChecOKard," with 18 other Oklahoma banks.

The system will be operated in cooperation with National Sharedata, the member banks' data processing company.

Other Oklahoma City banks participating in the program include City National, First State, Guaranty Bank, May Avenue Bank, Medical Center State, Quail Creek Bank, Shepherd Mall State, Southeast Plaza Bank, Southwestern Bank and Stock Yards Bank.

Also taking part are American National and Security Bank, both of Midwest City; American Exchange Bank, Norman; Del State, Del City; First National, El Reno; First National, Moore; First National, Yukon; and Park State, Nicoma Park.

The service consists of a card with a private identification code, providing immediate check guarantee and verifi-



cation to merchants at the POS through a telephone terminal hooked up to National Sharedata's computer systems. ChecOKard also guarantees the customer's check will be verified for any amount up to \$100.

What are the benefits of the system? According to Liberty's President, T. Joseph Semrod, consumers will have checks cashed more easily, and they no longer will hold up register lines waiting to present identification or be photographed or fingerprinted. In addition, there will be reduced risks from bad checks for merchants who sign up to accept ChecOKard transactions.

Bank officials indicate that eligible ChecOKard participants automatically will be able to obtain National BankAmericard's Entrée card, which allows

consumers to make purchases or obtain cash from their funds on deposit, rather than against lines of credit. Besides merchants in this country that will accept Entrée, it may be used in 100 other countries for purchases and in more than 45,000 worldwide banking offices for cash.

Electronic Funds Transfer System Planned by Iowa HC by Year End

DES MOINES, IA.—Brenton Banks, Inc., has announced it will have an EFT system in operation by year-end.

The system will consist of point-of-sale terminals at selected supermarkets and automatic teller machines at various banking locations, subject to regulatory approval.

The service will be called "Brenton Fingertip Banking" and will be in operation around the clock. It is said to be the first on-line EFT system in the state.

Initially, the system will use only the HC's debit card, but eventually it will provide check and national credit card authorization. The system will allow customers to deposit and withdraw funds from checking and savings accounts and transfer funds between accounts.

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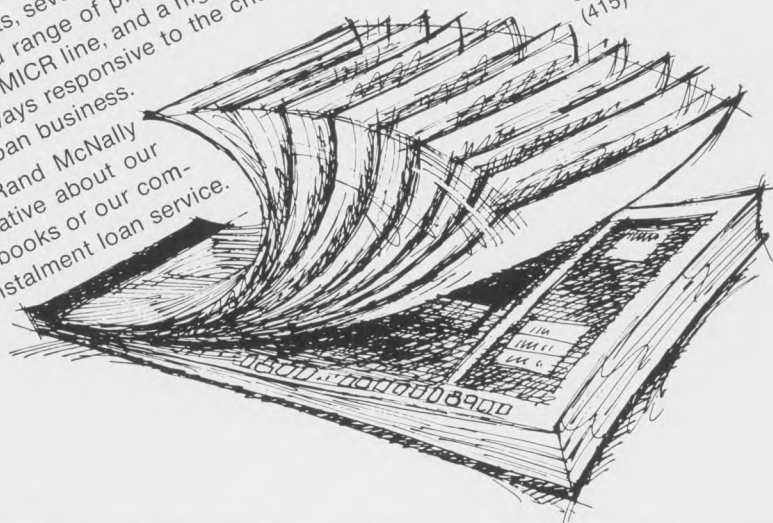
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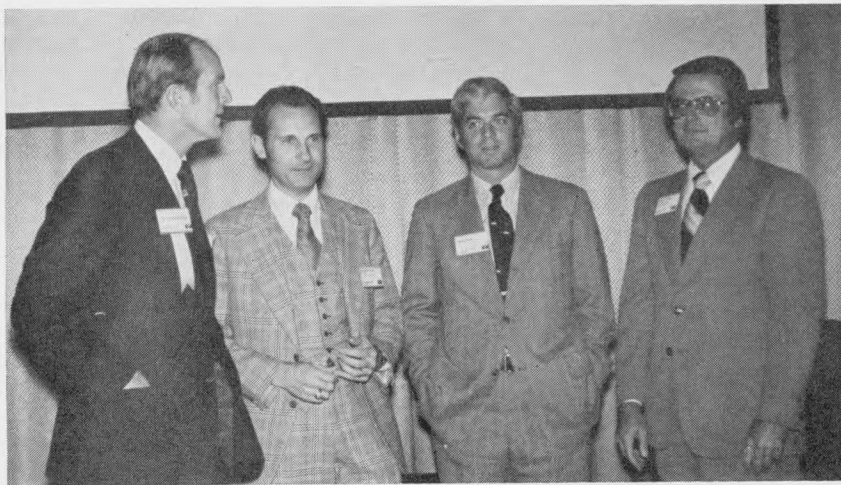
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LEFT: Taking part in bank management panel at First Nat'l, St. Louis, correspondent conference were (from l.) Clarence C. Barksdale, pres., host bank (and moderator); Donald K. Gnuse, pres., Broadway Nat'l, Quincy, Ill.; Richard F. Ford, e.v.p., host bank; and Edwin C. Kane,

pres., First Nat'l, Little Rock. RIGHT: Sec. of Treasury William E. Simon appeared at brief press conference prior to delivering luncheon speech at correspondent conference.

Economic Upturn Predicted for 1976 At First Nat'l Correspondent Meeting

AN UPTURN in the U. S. economy was predicted for 1976 by speakers at the 29th annual Conference of Correspondent Banks sponsored last month by First National, St. Louis.

Some 700 correspondent bankers also were told that EFT would play an important part in their future and they were given an opportunity to state their predictions for the coming year in various areas—a traditional feature of the program.

In addition, luncheon speaker William E. Simon, Secretary of the Treasury, presented his five-point program for a long-term recovery program for the nation.

Secretary Simon recommended the following:

- That consistent, steady economic policies be maintained in Washington—policies that take account not only of the short-term needs but ensure that the nation build soundly for the future. This means, he said, that the nation must avoid stop-go government actions and turn its back on short-run expediencies.

- As the recovery progresses, he continued, “we must control the growth of federal spending, working our way back to a balanced federal budget and then actually achieving a budgetary surplus.” This would help to eliminate inflation and free up funds for private needs. He called for resistance to big new spending programs that drive up prices and result in recessionary times.

- “We must lift the heavy hand of

government regulators off private industry,” he said, “allowing the marketplace to operate more efficiently and at less cost to consumers.” He said he advocates a pro-free-market stance, a pro-people position, because consumers will benefit more from a free market than anyone else.

- He called for a swing of the economy away from the heavy emphasis now placed on federal spending and consumption to a much stronger emphasis upon savings and capital investment. He said this was necessary in order to meet the nation’s economic goals of the future, including the creation of almost 20 million jobs in the next 10 years.

- He said the U. S. must seek greater public understanding of the choice the nation faces: The choice between continuing down the road to a centralized, government-controlled economy or an economy in which freedom can flourish in both commercial and private pursuits. “To make that choice wisely,” he said, “it is imperative that the public better understand how our economy works best.”

The bank’s consulting economist, Murray L. Weidenbaum of Washington University, St. Louis, said 1976 is going to be recorded on the plus side of the ledger in economic annals. It will be a period of rising production, sales, employment and profits for American industries in general. He said the Gross National Product (GNP) will total \$1,655 billion, inflation will average

about 7% and real economic growth will be 6% for the year.

This economic performance will bring the unemployment rate to well below 8% during the second half of the year, he said.

He expects the Fed will be operating in general at the upper end of its target of 5%-7½% growth in the money supply. He expects another upward move in interest rates, particularly short term, to take place, with the prime rate reaching 9% sometime next fall.

Frank Spinner, senior vice president at the bank, predicted a real GNP of between 4%-6% for 1976, with unemployment dropping to around 7%. The rate of inflation will reach 8% by the end of 1976 and interest rates will move up little during the year, but will rise greatly thereafter.

Mr. Spinner predicted housing to be stagnant in 1976, with auto sales up, but still mediocre. The stock market might hit 1,000 during the year, but will be below 800 by the end of 1976.

He predicted that Fed funds would be at 8½% by next fall, that the prime rate would be between 9%-9½%, that one-year Treasury bills would stand at 8%, five-year agencies at 8½% and seven-year governments at 8¾%. Triple-A corporate bonds will be at 9% and 10-year municipals will stand at 5% by the end of 1976.

Results of the annual poll of correspondents revealed that bank earnings would be down moderately in 1976 while the unemployment rate would be in the 7%-9% range. They agreed with Mr. Spinner in predicting that the real GNP would be between 4%-6%. They predicted that the Dow-Jones Industrial Average will range from 750-950, that the prime rate will be 8%-9% and that the Fed funds level

will be 7%-8%.

A majority of the bankers said New York City should be allowed to default and that grain sales to Russia would result in higher prices for wheat.

An overwhelming majority predicted that President Ford would capture the presidency in 1976, with Ronald Reagan as his running mate.

William G. Travis, senior vice president, participated with other First National officers in a capsule view of EFT in banking. He traced the role of customer bank communication terminals (CBCTs) and First National's experience with the machines.

He said bankers must work to correct one of the major shortcomings in retail banking—customer inconvenience. "How much longer can we expect our customers to keep their funds in our banks, but allow them access only when it is convenient for us?" he asked.

Sooner or later, he said, the consumer will transfer his account to the financial institution that provides the services most convenient to him. "CBCTs can provide us with the vehicle necessary to satisfy the consumer's increased needs and demands," he said.

He said CBCTs enable a bank to provide personal banking services at locations convenient to customers at a time when they are free to do their banking.

He said the regulations that have protected banks and their deposits over the years are rapidly disappearing and that the traditional customers of all banks in both urban and rural areas are going to be offered new alternatives and enticements for their business from competitive forces heretofore unheard of. The arrival of EFT and increased consumer awareness have mandated this certain eventuality, he said.

"Now," he said, "is the time for all banks to embrace new technologies and to accept the challenge of a changing banking world." • •

MONI Service OKs Checks In Chattanooga Stores

CHATTANOOGA—American National has introduced a new automated system, MONI (Merchant On-Line Network for Inquiry), designed to combat bad checks in local stores.

The service, said to be the first of its kind in the area, operates through a telephone hookup with the bank's computer. A store employee keys into a special touch-tone telephone a customer's checking account number and the amount of the check. The computer then relays verification of the individual check's amount *only*, or tells whether

the customer's account has insufficient funds, a process that takes about 30 seconds.

No confidential information is transmitted by the system and the bank can't guarantee the check for a future-dated deposit.

A bank official reports that a number of grocery store chains and retail outlets are using the MONI service.

'CitiSwitch' Data System Links Bank's Branches In New York, World

NEW YORK CITY—A message-processing system, "CitiSwitch," which reportedly has the potential for global transmission of data has been introduced by Citicorp, HC for First National City Bank.

The system links the Head Office of Citibank with the HC's main branches throughout the world. By year-end, the network will include more than 40 locations in New York and 78 overseas, according to Citicorp spokesman.

CitiSwitch is comprised of four mini-computers including back-up equipment. It automates the paper and labor-intensive wire and cable units, where most of the message traffic for the HC had been received over tele-

type machines for internal routing via LDX facsimile and messenger service.

Before the new system's advent, the spokesman said, it took hours for a message to reach its destination, but with CitiSwitch, the message is routed to its destination electronically and printed at a terminal near the addressee.

Citicorp officials estimate the system will be processing over 20,000 messages daily by the end of the year.

Liberty Nat'l Check Verification Used by Six Area Stores

LOUISVILLE—Liberty National has begun a check verification/guarantee service in six Convenient Food marts.

With the system, retailers can verify all checks drawn on Liberty accounts. Checks will be guaranteed by merchants when checks on Liberty accounts are presented by the individual in whose name the account is held.



This is what customer sees in Convenient Food marts in Louisville area. By being on-line to Liberty Nat'l computer, check verification/guarantee service involves store employee contacting computer via touch-tones, receiving vocal response verifying or denying customer's check.

Opelika Nat'l Goes ATM



Buck Cooper of Opelika (Ala.) Nat'l wins the first \$5 prize from a Teller 24 demonstration during a staff-training meeting October 2 at the bank's Midway Office, where the Docutel automated teller machine (ATM) has been installed. On November 7, the bank awarded a \$500 grand prize, a \$250 second prize and five \$50 prizes to the public. It wasn't necessary to be a bank customer to win. The ATM is open 24 hours a day, seven days a week, and offers such services as deposit of funds to checking or savings, withdrawal of up to \$100 per transaction from checking or savings, transfer of funds between checking and savings accounts, payment on Opelika Nat'l-issued BankAmericard bills, loan payments and instant balance information.

The bank introduced automated teller equipment in 1970 and by the end of the year hopes to have money machines in half of its branch locations. The bank reportedly is the first to offer the check service in Kentucky.

On presentation of a Liberty check, the merchant accesses the bank's computer via telephone and enters the customer's account number and the amount of the check by touch-tones. A voice response then indicates whether sufficient funds are on deposit.

The systems are operational from 7 a.m. to midnight daily.

NEWS

From the Mid-Continent Area

Alabama

■ LOUISE McRAE has been named customer services officer, Central Bank, Eufaula, while Mary Williams has been named assistant operations officer. Mrs. McRae has been with the bank since its 1965 opening, while Mrs. Williams has been with Central Bank since 1972.

■ M. P. "RED" HAMILTON JR. has been elected senior vice president-operations at Central Bancshares of the South, Inc., Birmingham, going there from Central Bank, Decatur, where he had worked 11 years. He is a former president, Alabama Young Bankers Section. In news at the affiliate, Central Bank, Birmingham, George E. Nicholson has been named operations officer and Beverly Jo Hutto, Carol Logan and Lee Weinman have been promoted to assistant operations officers.

■ JACK L. McSWAIN has been elevated to senior vice president and Master Charge department head, First National, Birmingham. Prior to joining the bank in 1969, he was with National Bank of Commerce, Memphis.

■ THE FED has approved affiliation of Gadsden Mall Bank with Alabama Bancorp., Birmingham. Gadsden Mall Bank shareholder approval is pending.

■ FIRST SHELBY NATIONAL, Pelham, has begun construction of its temporary quarters, which should be open sometime in December. The bank is soliciting public subscription for 100,000 shares of common stock at \$15 per share. L. Denton Cole Jr. is president and CEO. William R. Stivers has been named cashier of the bank, going from Perry County Bank, Marion.

■ ROBERT E. WILLIAMS has been elected corporate loan officer at First Alabama Bancshares, Inc., Montgomery, going there from the affiliate bank, First Alabama of Montgomery. In other HC announcements, Helen C. Wells has been promoted to administrative officer; Earl E. Jackson III, to national affairs officer; Jerry L. Wynne, officer of the HC; Estill "J. R." Eldridge, regional officer, Huntsville region; and Visvaldis "Ace" Dzelkalns, EDP audit officer.

■ HARRY A. "GUS" MOONEY has been elected vice president, real estate division, Union National, Little Rock. He joined the bank in 1941 and, prior to his promotion, was an assistant vice president.

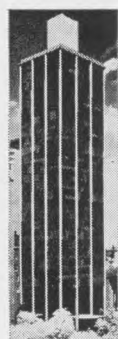
■ WORTHEN BANK, Little Rock, has announced the promotions of Mike Sigman and Randy Oates, both assistant vice presidents, to business development manager and retail marketing manager, respectively.

■ R. EDWARD SNIDER JR., vice president, National Bank of Commerce, Pine Bluff, has reached a tentative agreement with I. B. Fuller of Arkadelphia to purchase controlling interest in Citizens First National, Arkadelphia. Current plans call for Mr. Snider to become president and CEO of Citizens First National, while Mr. Fuller will remain as chairman. Mr. Snider joined NBC in 1968 as assistant vice president and was named vice president in 1971. Mr. Fuller has been with Citizens 33 years, having been president and CEO since 1962.

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Arkansas

■ SHEROD S. WHITE has been named vice president-cashier, Commercial National, Little Rock, while Marvin Stumpe has been promoted to assistant vice president, data processing. Neal Sullins has been appointed trust marketing officer. Mr. White joined the bank in 1967 to organize the data processing department. Prior to that, he had worked for Commercial Credit Corp. and a Raleigh, N. C., bank. Messrs. Stumpe and Sullins joined the bank in 1973.



WHITE

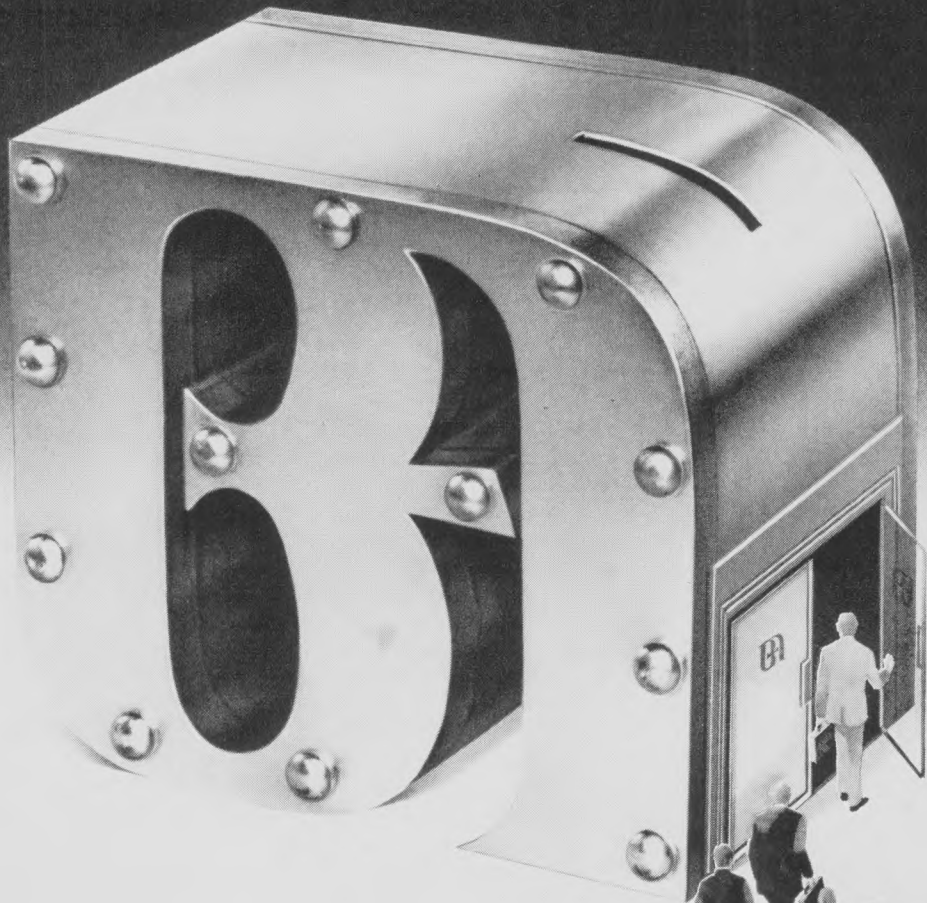
Illinois

■ ARLO P. WALKER has been named vice president and general banking department manager, Michigan Avenue National, Chicago. He went there from Continental Illinois National, Chicago.

■ WILLIS A. GLASSGOW has been elected president, Palatine National. Succeeding him as president, Bank of Rolling Meadows, is Alvin S. Carlsen. Both banks are affiliates of the Suburban Bank Group. Mr. Glassgow had been Rolling Meadows' president since 1971. Mr. Carlsen, formerly senior vice president at Rolling Meadows, joined that bank in 1971, after 11 years with Harris Trust, Chicago.

■ HOWARD L. AREFORD has been elected senior installment loan officer and will manage the installment loan department at First National, Alton. He went there from ITT Aetna Corp., St. Louis, where he had served as portfolio management director.

■ SUBURBAN NATIONAL, Palatine, has opened its walk-up Window Banking Center. The facility features one



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walk-up window and celebrated its opening with a drawing for prizes and free gifts to visitors.

■ **DARIEN BANK** has opened its expanded drive-up facility, which features seven lanes. Three of the new lanes are serviced by pneumatic tubes connected to a tellers building in a middle-island building.

■ **HENRY J. BERTOCCHINI** has been elected chairman, Lincoln National, Chicago. With the bank 25 years, Mr. Bertocchini previously was executive vice president in charge of commercial banking.

■ **RONALD E. JONES**, executive vice president, Commercial National, Peoria, has retired. He joined the bank in 1928 and has held various management positions, including head of the correspondent and the commercial loan departments. Mr. Jones had held his last position since 1970 and will continue as a director and executive committee member. In other news at Commercial National, Warren M. Webber has been elevated to executive vice president, while Ralph N. Kent has been named vice president. Mr. Webber joined the bank in 1947 and Mr. Kent, in 1953.

■ **FIRST SECURITY BANK**, Sandwich, has held its grand opening. Residents were able to tour the building, which has 5,500 square feet of space, and gifts and refreshments were given away. First Security is offering a no-charge checking account for one year to anyone opening a savings account before January 31.

■ **WILLIAM E. WEIGEL**, executive vice president and CEO, First National, Centralia, has been reelected a class A director of the St. Louis Fed for a three-year term beginning January 1.

■ **JOSEPH V. MORRISON** has been named assistant cashier, commercial banking, Exchange National, Chicago.

Arthur A. Baer Dies

Arthur A. Baer, 78, ch., Beverly Bank, Chicago, Gary-Wheaton Bank and Riverdale Bank, died in his home October 24 of a heart attack. Named a Beverly Bank dir., 1929, Mr. Baer became pres. in 1944 and ch., 1960. He also was ch., Oak-Brook Corp., G-W Corp. and Bevdale, Inc., all bank HCs. Mr. Baer was a former pres., South Side Bankers Assn., Chicago, and of the IBA's Chicago District.



Fred D. Cummings Dies

Fred D. Cummings, 63, s.v.p., Drivers Nat'l, Chicago, died November 15. He began his banking career as a messenger for Drivers in 1930, rose through the ranks and was elected s.v.p. in 1969. Most of his career had been with the correspondent division.



■ **SEVERAL PROMOTIONS** have been announced at Harris Bank, Chicago. William D. Naftzger, trust, and W. Donald DeMoss, London Office, have been named vice presidents. Promoted to assistant vice presidents were Philip J. Baratta and W. Alfred Washington, banking; Robert M. Weiland, investment department, New York; Thomas M. Mocella, corporate and employee relations administration; and Robert R. Baran and Bradford J. Miller, operations.

■ **WILLIAM C. MITCHELL** has been elected president and chief administrative officer, Lake Shore National, Chicago. He joined the bank in 1953 and was named senior vice president and commercial loan division chairman, 1971.

■ **FIRST NATIONAL**, Gibson City, has announced plans for a new bank building, to be located across the street from its current quarters. The building will have two stories, with 10,000-14,000 square feet of space. Also planned are three drive-up lanes.

■ **WILLIAM J. CARROLL** has been named president, Plum Grove Bank, Rolling Meadows, going there from Upper Avenue National, Chicago, where he had been vice president.

Computer Center Meet Held

Metropolitan Computer Center, Inc. (MCCI), Naperville, has held its first owner-bank meeting.

MCCI is a joint-venture computer center having 22 banks as owners. The company operates out of a building having 30,000 square feet of space and processes about 500,000 items daily for more than 520,000 accounts.

At the meeting, all owner-directors were brought up to date on changes in the financial world of EFTS and terminals, while progress on a CIF file was explained, as were other services under development.

Indiana

■ **KENNETH M. PECK** has been elected assistant vice president and computer operations manager, American Fletcher National, Indianapolis, while Gordon C. Michaels has been named import services officer, customs and freight department. Mr. Peck formerly was director of administration and controls, Associates Corp. of North America, while Mr. Michaels had been vice president and manager, Wichita Office, James A. Green Jr. & Co.

Bank Anniversary Symbols

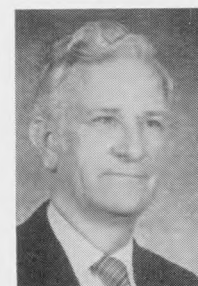


These two women symbolize how a family, a community and a bank become interrelated over the years. The photo, taken in connection with the German American Bank of Jasper's 65th anniversary last month, is of Mrs. Mary K. Hoffman (seated), one of the bank's original stockholders, and her granddaughter, Miss Chris Hoffman. The latter has been a bookkeeper at the bank since 1972.

■ **KEVIN M. POWERS** has been elected managing officer, Clay Banking Center, American National, South Bend. He joined the bank in 1973 and has served as assistant manager, Ireland Road Office, and most recently in the trust department.

■ **JOHN L. CRIST** has been promoted to vice president in charge of the marketing and business development department, Calumet National, Hammond, while James L. Yarovsky and Joel Gorelick have been named assistant vice presidents. Mr. Yarovsky will manage the Munster Office, while Mr. Gorelick will manage the new Chapel Plaza Office. Evelyn H. Gula, assistant cashier, has been appointed manager, Schererville Office.

James P. Coplen Dies



James P. Coplen, 56, pres., Nat'l Bank of Logansport, died November 15. A former Indiana Bankers Association pres., Mr. Coplen had been pres., Nat'l Bank of Logansport, since 1963. He also was ch., First Nat'l, Kokomo.

Improves with time.

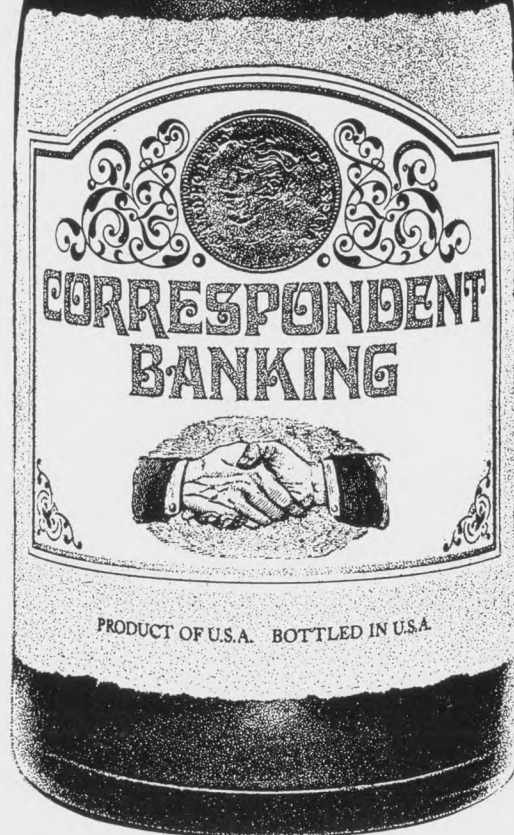
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Kansas

■ **SHIRLEY J. LANG** has been named woman of the year, business category, in Hutchinson's celebration of International Women's Year. She is a trust officer, Hutchinson National, which she joined in 1955. She was the bank's first woman officer.



LANG

■ **DUANE L. FAGER** has been elevated to senior vice president and director of marketing, research and business development, Commerce State, Topeka. Larry C. Carlson has been named vice president and cashier; Al Moore Jr. and Robert N. Johnston, vice presidents; James L. Vaughn, vice president, data processing; Jerry K. Anderson, comptroller and auditor; and Ann L. Griffith, assistant vice president.

■ **LaMONT "MONTY" GLEASON** has been named marketing officer, First National, Wichita. He joined the bank in 1974.

■ **BRETTE R. RILEY** has joined Peoples Bank, Pratt, as counselor. He formerly managed a J. C. Penney store and had been a representative for Investors Diversified Services. Mr. Riley will work in trust investment and business development.

Kentucky

■ **CITIZENS FIDELITY**, Louisville, has announced several staff changes. Steve A. Thompson, administrative assistant, Oxmoor Banking Center, has been named assistant manager, Valley

Station Banking Center. Carin Obye, manager, Bakery Square Banking Center, has been appointed manager, Oxmoor-Inside Office; Helen Pumphrey, formerly manager, Riverfront Office, succeeds Miss Obye, while Susan T. Nichols has been named Riverfront Office manager. Mr. Thompson joined the bank in 1970; Miss Obye, in 1971; Miss Pumphrey, in 1968; and Miss Nichols, in 1973.

■ **CONSTRUCTION** has begun on a new building for Citizens Fidelity's St. Matthews Banking Center on the site of the present building. The new building's design will be classic contemporary, and the drive-up facility will be expanded to four lanes. The Old Third Street Road Banking Center has opened with Bob Campbell as manager. He has been with the bank since 1969 and most recently was assistant manager, Valley Station Banking Center.

■ **FIRST SECURITY CORP. OF KENTUCKY**, Lexington, has been organized as a one-bank HC, with First Security National as a subsidiary. Walter W. Hillenmeyer serves as president of the HC and president and chairman of the bank.

Louisiana

■ **KIRK DOMINGOS** has been elected vice president and lending head, Guaranty Bank, Alexandria, going there from Community Bank, Seminole, Fla., where he had served as executive vice president.

■ **MARLIN J. NEREAUX** has been named executive vice president, City Bank, New Iberia, while Charles C. Comeaux has been elected vice president. Mr. Nereaux began his banking career in 1958, when City Bank opened, while Mr. Comeaux has been with the bank since 1961.

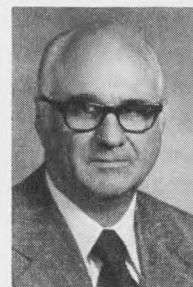
■ **ROBERT L. TAYLOR** has been named president, First National, Ruston. He formerly was with First National, Shreveport; Louisiana National, Baton Rouge; and Bossier Bank.

■ **EARL E. CLEMENTS** has been elected president, Bank of St. Charles, Luling. He began his banking career in 1965 and has served with several banks. Prior to his recent election, he was vice president and loan officer, Bank of St. Charles.

■ **EARL BABINEAUX** has been appointed assistant vice president, State National, New Iberia. He joined the bank in 1974 as marketing manager and has been responsible for public relations, advertising and marketing.

Mississippi

■ **W. T. BROWN** has been promoted to executive vice president, Deposit Guaranty National, Jackson, while Ernestine H. McKay has been elevated to vice president and trust officer. Robert L. Rust has been named assistant trust investment officer. Mr. Brown joined the bank in 1937, rose through the ranks and was elected senior vice president and senior trust officer in 1972 and trust division manager last January. Mrs. McKay joined the bank in 1965 and Mr. Rust, in March.



BROWN



McKAY

■ **RONNIE P. FORTINBERRY** has been elected vice president, Peoples Bank, Forest. He joined the bank in 1972 and, prior to that, was with CIT, a national sales finance company.

■ **PHILLIP LITTLE** has been named vice president, Bank of Vicksburg. Before going to the bank, Mr. Little was an FDIC examiner for seven years.

■ **CHARLES L. GUEST SR.** has been named vice president and data process-

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MID-CONTINENT BANKER for December, 1975

101

ing manager, First Mississippi National, Hattiesburg, while Leroy McLeond has been elevated to assistant vice president, and Terry Jones has been promoted to data processing officer.

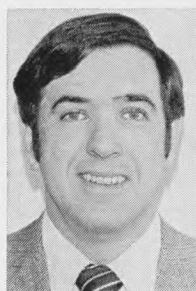
■ **THE COURT SQUARE OFFICE** of Bank of Philadelphia opened October 30 and features late Friday and Saturday morning hours.

■ **BETTY NEAL** has been promoted to assistant vice president, Grenada Banking System. She joined the bank in 1964.

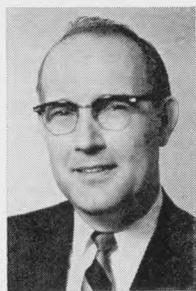
■ **DWIGHT L. RUTLAND** has joined South Central Bank, Brookhaven, as assistant vice president.

Missouri

■ **WILLIAM F. SHINE**, vice president, First National, St. Louis, has been appointed to the additional position of vice president, First Union, Inc., St. Louis, the HC of which First National is the lead bank. Mr. Shine, who joined the bank in 1942, will work in the area of loan coordination with affiliate banks. In other news at the bank, William K. Jones has been named assistant vice president, while Charles L. Mountz has been named commercial banking officer and A. Laverne Howard has been elected operations officer. Mr. Jones joined the bank in 1974; Mr. Mountz, who was named representative, regional banking division in September, 1974, joined the bank in March, 1974; and Miss Howard, in 1961.



MOUNTZ



SHINE

■ **UNITED MISSOURI BANK**, Jefferson City, has announced the beginning of construction and the planned opening of the new United Missouri Bank East in the Gerbes East Shopping Center. The new facility will have 1,100 square feet of space, three teller stations, night depository and two drive-up stations. The building itself is the one used as temporary quarters while the Main Bank's building was being constructed.



MILLER



BAUMAN

■ **DAVID J. MILLER** has joined Commerce Bank, Kansas City, as senior vice president and metropolitan division manager, while H. C. Bauman has joined the bank as assistant vice president, correspondent division. Mr. Bauman's responsibilities will be in Oklahoma and Arkansas. Richard Bryan Palmer has been named vice president and data processing division manager, Phyllis Elaine Eldridge has been promoted to assistant vice president and systems and programming manager, while David B. Anderson has been elected trust investment officer. Elected directors were David A. Rismiller, John O. Brown, and John R. Owen, all executive vice presidents.



BUSSE



GIBSON

■ **CHARLES R. GIBSON** has joined Mercantile Trust, St. Louis, as vice president in charge of the trust tax division. He goes there from Provident National, Philadelphia, which he joined in 1950 and where he had held a similar position since 1969.

■ **ROBERT A. BUSSE**, president, Shoe Factory Supplies Co., St. Louis, has been elected a director at Chipewa Trust, St. Louis.

■ **MISSOURI TREASURER** James C. Spainhower has delivered a symbolic check for \$500,000 to Tower Grove Bank, St. Louis, representing the state's recognition that, as of September 30, \$1,336,000—more than 1.5% of the bank's loans—were in student loans, qualifying the bank for that additional state deposit for one year. The sum is the largest possible that can be deposited in a bank by the state for that reason.

■ **FRANK NEWELL WRIGHT** has been elected chairman, Commerce Bank, Lebanon, and is succeeded as president by James W. Vernon, who had been senior vice president. Mr. Wright joined the bank in 1957 and was named president, 1974. Mr. Vernon joined the bank in 1970 and was named to his former title last January. In other news at the bank, Joseph David McClure, cashier, has been elected a director and secretary of the board. He joined the bank in 1951.

■ **UNITED MISSOURI BANK**, Hickman Mills, has held its grand-opening celebration with a ribbon cutting and a week-long open house. Although still housed in a temporary building, the facility, which is located in the southern outskirts of Kansas City, has two teller stations, two drive-up lanes and a night depository. Paul D. Barnes, assistant cashier, is the new facility's manager.

■ **ANATOL B. BALBACH** has been appointed senior vice president, St. Louis Fed, succeeding Jerry L. Jordan, who left to become chief economist, Pittsburgh National. Mr. Balbach originally was a professor, University of California, Northridge, and took a leave of absence, 1971-72, to serve as senior economist, research department, at the Fed. He returned to the university, but in 1973, he joined the bank as assistant vice president and was named vice president last January. In his new position, Mr. Balbach will head the research department.

■ **HIGH RIDGE MERCANTILE BANK** has moved into a new building that has 10,180 square feet of space. The brick structure has three drive-up windows and all customer services on the first floor.

■ **ALVIN D. MEEKER**, vice president, Commerce Bancshares, Inc., Kansas City, who has responsibilities in northeastern Missouri, has been elected a director, Commerce Bank, Moberly, affiliate of the HC. Before joining Commerce Bancshares in April, he had served as president, Commerce Bank, Kirksville, since 1972.

■ **LAMOUNT DAVIS** has been named vice president and cashier, Gateway National, St. Louis, and will have responsibilities for teller supervision, customer services, new accounts and bookkeeping. He goes there from Union National, East St. Louis, Ill., where he had been an assistant vice president. In other news at Gateway National, Anita Arthur has been named assistant

Yesterday...

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**THE BOATMEN'S
NATIONAL BANK**

vice president and loan officer, while Mattie Neely and Hattie Eggleston have been elevated to assistant cashiers.

■ **FIRST NATIONAL**, Kansas City, has announced several promotions. Steven N. Palmer and James H. Slocumb have been named vice presidents, trust and investment division. Named assistant trust officers were Opal L. Croson, Barbara Ann Hedges and Jennifer D. Nicholson, trust division, and Carter R. Harrison and Thomas H. Weaver, investment division. Mr. Palmer joined the bank in 1970; Mr. Slocumb and Mrs. Hedges, in 1966; Mr. Smith, in 1971; Mrs. Croson, in 1942; Messrs. Harrison and Weaver, in 1974; and Miss Nicholson, in 1972.

■ **CLARK M. PAGE** has been named vice president and managing officer, Commerce Bank of Blue Hills, Kansas City. Prior to that, he had been general vice president, Commerce Bank, Kansas City, affiliate bank, which he joined in 1963.

■ **KENNETH E. FOX** has been elected senior vice president, Commerce Bank, Kirkwood. He went there from Commerce Bank, University City, affiliate bank, which he joined in 1974, and had served as executive vice president.

■ **H. ELY BRITTON JR.** has been elected vice president, Boatmen's National, St. Louis. Mr. Britton, who has been in banking 10 years, will be in the banking division and most recently was vice president, American National, St. Paul.

New Mexico

■ **DAVID UNDERWOOD**, president, Hot Springs National, Truth or Consequences, has been elected a director, Ruidoso State. He was vice president and cashier, Farmers & Merchants, Las Cruces, 1965-68, going to Bank of California, San Diego, where he held a similar position. He was elected president at Hot Springs National in 1969.

■ **ALBUQUERQUE NATIONAL** has promoted nine people to assistant cashiers: Scott K. Browning, appraiser, mortgage loan; Delmar Gardner Jr. and Benjamin Russell Raskob, loan officers, East Central Branch; Monte Ray Patterson, manager, Master Charge collection; Richard N. Rose, assistant manager, Wyoming Boulevard Branch; Kathryn M. Urban, loan officer, East-

dale Branch; Noel C. Matthews, marketing research specialist; Steven O. Garrett, loan officer, Winrock Branch; and Gladys Lemons, assistant manager, Coors Road Branch.

■ **ANTONIA PADILLA** has been named assistant vice president and cashier, Capital Bank, Sante Fe. She has been in banking 27 years and joined Capital National when it opened in 1972.

■ **BARNEY G. IORIO** has been elected assistant cashier, Hot Springs National, Truth or Consequences. He joined the bank in 1970, leaving in 1971 to be manager, Hot Springs Investment Co.

■ **AVELINO GUTIERREZ** has been named chairman, Plaza del Sol National, Albuquerque. He is an attorney. Raoul Cordova, formerly president, El Valle State, Albuquerque, has been elected vice president, while Nino Trujillo and Dr. Robert Castillo have been named directors. Mr. Trujillo is a businessman, and Dr. Castillo is a surgeon. Messrs. Gutierrez and Castillo were bank organizers.

■ **MARK ROBASON** has been elevated to assistant cashier, First National of Lea County, Hobbs. He joined the bank in July and will have responsibilities in the loan and discount department. The bank also announced that Senior Vice President Jack Kennedy has taken a leave of absence for "personal business reasons."

■ **ALLEN THOMAS** has been elected vice president, Santa Fe National, going there from United California Bank, Napa. He will head the bank's dealer loan division, headquartered in the Southside Branch.

■ **S. "PETE" HIDALGO**, vice president and trust officer, First National, Santa Fe, has been appointed state investment officer by Governor Jerry Apodaca. The move follows the resignation of Bob Short. Mr. Hidalgo joined the bank in 1974, after two years with DuPont Walston, Dallas, as an investment banker.

■ **ALBUQUERQUE NATIONAL** has opened its new branch at 6201 San Mateo NE. Serving as manager is Joe Henderson, assistant cashier.

■ **FIRST NATIONAL**, Albuquerque, has announced three promotions. Named vice presidents were C. William Archibeck, who will supervise installment lending in the consumer credit department; Robert E. A. Davis, who will head planning control; and Daniel L. Kelly, who will head automated ser-

vices. Mr. Archibeck formerly was with C.I.T. Financial Services, Mr. Davis went there from Pacific Coast Bank, San Diego, and Mr. Kelly was director, data processing, Bernalillo County Medical Center.

■ **BERNICE TORRES** has been elected vice president, Centinel Bank, Taos. She joined the bank at its 1957 opening and was named assistant vice president in 1970.

■ **MICHAEL DENNIS**, formerly president, Farmington National, has been named vice president, loan administration, First National, Albuquerque. He will be in charge of loans for all branches. In other news at First National, Herbert Wilcox has been elected chairman. He is a retired businessman and succeeds George Maloof, who resigned to pursue business obligations.

■ **DAVID A. ATER** has been elected vice president, First National, Santa Fe. He will have managerial responsibilities for the Plaza Office, four Santa Fe County branches and the bank operations function. Mr. Ater joined the bank in 1970.

■ **K. H. "BUD" McQUAY** has been appointed assistant vice president, Peoples State, Artesia. He has 13 years' experience in the finance industry.

■ **KENNETH JONES** has been promoted to assistant vice president, First National, Clovis. He joined the bank in 1973.

Oklahoma

■ **DENVER C. LEASURE**, senior vice president and controller, May Avenue Bank, Oklahoma City, has been named to the additional post of senior trust officer, while Melba E. Webb has been named trust officer and Bertha M. Smith has been elected assistant trust officer. These promotions follow the departure of Nate Ross, senior vice president and senior trust officer, who went to First State, Oklahoma City. Mr. Leasure has been in banking since 1950 and joined May Avenue in 1961.

■ **ALLSTATES CAPITAL CORP.**, Tulsa, has merged into Utica Bankshares Corp., Tulsa, HC for Utica National, Tulsa.

■ **NATE ROSS**, former Oklahoma City city manager, has been elected president and CEO, First State, Oklahoma City, replacing Bill R. Bourn, who succeeds Morrison G. Tucker as



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Bill Hellen



Lee Daniel



Marvin Bray



Charles Rice
Department Manager

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chairman. Mr. Tucker will serve as executive committee chairman. Mr. Ross goes there from May Avenue Bank, Oklahoma City, where he was senior vice president and senior trust officer.



ROSS



FOWLER

■ JOHN W. FOWLER has been named vice president and head, commercial banking division, First National, Tulsa. He goes there from Continental Illinois National, Chicago, where he was vice president and metropolitan banking department head. Prior to that, he served as senior vice president, loan administration, American National of Michigan, Kalamazoo.

Tennessee

■ DANNY M. RICHARDSON has been named marketing research officer, American National, Chattanooga, while Thomas P. Gribben has been promoted to operations officer-management infor-

mation systems. Mr. Richardson joined the bank in 1974 as market research specialist, and Mr. Gribben joined American National in 1970, serving most recently as assistant manager, central information file department.

■ ROBERT P. FREEMAN has been promoted to vice president, correspondent division, American National, Chattanooga. Mr. Freeman, who travels in Tennessee and Kentucky, joined the bank in 1969. Prior to that, he was with First National, Atlanta.



FREEMAN

■ OSCAR B. BATTLES has been named senior vice president, City & County Bank, Kingston, while Frank Y. Barnes Jr. has been elected assistant vice president. Mr. Battles previously was in charge of installment loans, BankAmericard and Master Charge, National City Bank, Rome, Ga. Mr. Barnes was with Cookeville Federal S&L.

■ STERLING W. FIELDS has been elected president and CEO, Hamilton National of Polk County, Copperhill. Prior to that, he was senior vice president, Mountain Empire Bank, Johnson City, and a national bank examiner in the Comptroller's Office.

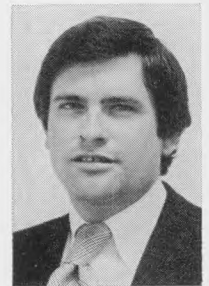
■ CARTER K. HOOKS, area development officer, First National, Memphis, has been named secretary-treasurer, Southern Industrial Development Council. He is former Tennessee director of the council, which is made up of industrial developers from 16 southern states. He joined the bank in 1973.

Texas

■ BANK OF THE SOUTHWEST, Houston, has named P. Carter Kendall and Fred E. Wiggins, vice presidents, as group managers, metropolitan department, following a departmental restructuring. In other news, Culver Turlington, formerly director of marketing, Southwest Bancshares, Inc., HC affiliate, and vice president-marketing of the bank, has joined First Texas Financial Corp., a Dallas-based S&L HC. He will serve as senior vice president and director of corporate marketing of the HC and as president, First Texas Marketing Corp., Dallas, a wholly owned subsidiary of the HC.



KENDALL




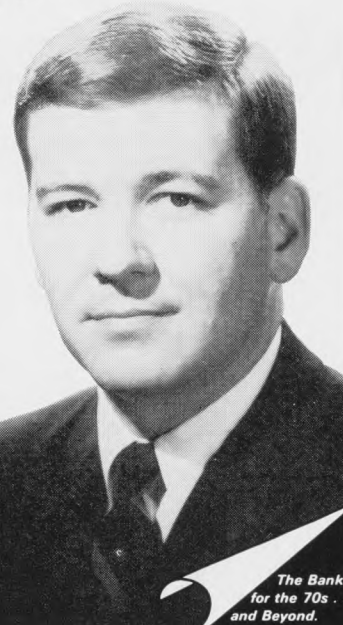
WIGGINS

■ FRED N. BOHLER JR. has been named vice president, First City National, Houston. He recently joined the bank's real estate department after serving as a real estate consultant in Miami.

■ ROBERT N. JONES has been elected president, Commerce National, Conroe, a new bank. Barrett L. Willett has been named vice president and cashier. Mr. Jones has been senior vice president, Reagan Commerce Bank, Houston, since 1973. He joined that bank in 1958. Mr. Willett has been with Pinemont Bank, Houston, for seven years, serving most recently as vice president and loan officer.

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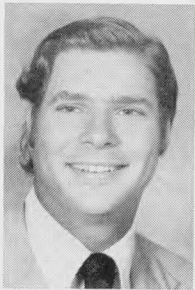
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■ **STEPHEN M. DUFILHO** has been elected vice president and controller, FrostBank Corp., San Antonio. He is vice president and controller, Frost National, San Antonio, lead bank, which he joined in 1966. Mr. Dufilho is a CPA.



DUFILHO



ROBINETT

■ **JAMES D. ROBINETT** has moved up from assistant vice president to vice president, First National, Fort Worth, while Thelma Boone has been advanced to assistant vice president. Thomas Pate has been elevated to trust officer and Walter Johnson has been elected a bond investment officer. In other news at First National, the commercial banking operation has been reorganized, creating several new departments, including executive-professional and metropolitan.

■ **PAUL ROEBUCK** has joined Suburban National, Houston, as vice president in charge of lending activities, going there from Channelview Bank, Houston, where he had been an assistant vice president.

Bank Opens New Facilities



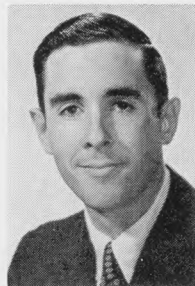
Grand-opening ceremonies have been held for the new mini-bank and drive-up facilities of First Victoria Nat'l. Pictured at the ribbon-cutting are (l. to r.) Patricia McMullen, v.p.; C. C. Carsner Jr., mayor of Victoria; Joe B. Bumgardner, county judge; and Dave Sheffield, pres. The facility has a walk-in lobby, four stations for commercial customers, 2,500 sq. ft. of operations space and reserved parking. The drive-up has nine stations, night depository box and 7,700 sq. ft. of canopy for waiting customers. Highlight of the event was daily drawings for 10 black and white TVs.

MID-CONTINENT BANKER for December, 1975

■ **AN AGREEMENT IN PRINCIPLE** has been reached for the combination of Mercantile National Corp., Dallas, and Federated Capital Corp., Houston. Gene H. Bishop, president and CEO of the former, and L. F. McCollum, chairman of the latter, would hold their respective titles in the combined company. The move is subject to regulatory, board and stockholder approval.

■ **BRAES BAYOU NATIONAL** is scheduled to open in southwest Houston early next year, according to its parent HC, Republic of Texas Corp., Dallas. It will be capitalized at \$1 million: \$400,000 capital, \$400,000 surplus and \$200,000 undivided profits. Officials say it will open after completion of arrangements for management and facilities.

■ **A. JAMES GRANT**, vice president, has joined the correspondent division, First National, Dallas, succeeding Tom Abbott, former western district head, who has joined Northpark National, Dallas, as executive vice president. Mr. Grant joined the bank in 1962, was named vice president, 1972, and formerly headed the credit department.



GRANT

■ **CORPUS CHRISTI NATIONAL** is the new name of Corpus Christi State National, following a vote by the board. The change has been attributed by a bank official to confusion concerning the bank's name (having been called Corpus Christi State National, State National and SNB) and due to the cumbersome former official title.

■ **JAMES L. TIDWELL JR.** has been elected assistant treasurer, Cullen Bankers, Inc., Houston, a newly formed HC, with Cullen Center Bank, Houston, and Citizens National, Dallas, as principal subsidiaries. Mr. Tidwell, a CPA, goes there from an HC in Tennessee.

■ **NORMA K. SCHOTT** has been named assistant vice president, American National, Beaumont. She joined the bank in 1970. Mrs. Schott will continue to supervise the investment department.

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Banks Embrace Corporate Savings Concept As Tool to Counter Thrift Competition

BANKERS are offering recently authorized corporate savings accounts but they are not all publicizing the fact that the interest-paying accounts are available.

A random survey of bankers throughout the Mid-Continent area indicates that very few banks are not offering corporate savings, and those that are not are located in rural areas where competition is not a major threat.

While many bankers would prefer that corporate savings be limited to CDs—as they were prior to changes in federal banking regulations that permit commercial banks to accept corporate savings accounts up to a maximum of \$150,000—competition from thrifts and other banks has forced them to offer corporate savings accounts. The accounts became legal November 9, ending a 40-year ban against them.

The regulatory change was sought by the banking industry to meet competition from S&Ls, which previously had been granted the authority to issue such accounts.

Under the system pioneered by S&Ls, small business customers can keep nearly all of their bank deposits earning interest. When they want to pay bills, they can transfer the necessary funds from a savings account to a checking account by telephone.

What the new regulation does is to enable banks to set up the equivalent of an interest-paying demand deposit system for business customers by offering readily transferrable 5% savings accounts.

According to Frank Wille, FDIC chairman, the change removes "a basic restriction which had become increasingly outmoded with the introduction of short-term CDs; it will enable businesses to earn interest on temporarily idle funds, and it will be of particular benefit to small businesses which do not have substantial sums to invest in large-denomination CDs or money market instruments."

Bankers contacted by MID-CONTINENT BANKER said they were offering corporate savings accounts to enable them to meet competition from many areas—primarily thrift institutions. They also said they wanted to keep their banks in the "full service" category and that they wanted to use the accounts to generate new customers

and gain new deposits.

When asked how they would publicize the accounts, the majority said they would cross-sell them or spread the word through statement stuffers. Some chose direct mail or personal letters, but few indicated they would use radio or TV advertising. Newspaper ads will be utilized by a minority of the banks contacted.

Bankers report that they have had little indication that business firms are interested in the new service, primarily because the majority of businessmen had not yet learned about its availability. Those bankers who had noticed feedback from initial publicity about the accounts said that businessmen were giving them careful consideration and that some felt that corporate savings accounts would be more valuable than the float from their checking accounts. Others said that the concept, at least in theory, is being well accepted by businessmen.

The majority of bankers contacted said their banks would permit telephone transfers of funds from check-

ing to savings and vice versa. Federal regulations authorizing the service do not mention telephone transfers.

Commenting on the inability of smaller businesses to invest idle funds prior to the new regulation, H. C. Arnold, executive vice president, Preston State Bank, Dallas, said, "This new service provides businesses with a convenient and efficient means of investing temporarily idle funds without making long-term commitments. Those who will primarily benefit are smaller businesses that hold significant sums in checking accounts for end-of-month bills, payrolls or other contingencies."

"Companies with idle cash may need to have those assets producing income, even for relatively short periods of time," said William D. Breedlove, executive vice president, First National, Dallas. The bank has tied its corporate savings program in with its TeleFirst system, which enables companies to order cash transfers between checking and savings accounts by telephone.

Girard Bank, Philadelphia, is calling its corporate savings accounts "business interest accounts." William B. Eagleson Jr., chairman and president, has noted that the funds in a business interest account can be used as collateral for borrowings, if required. He also said that the Federal Reserve "acted responsively to a real need of the small businessman" in providing corporate savings authority.

Worthen Bank, Little Rock, has incorporated corporate savings into a program called a "cash management system" that creates "a new profit center for your business."

The bank's three-point program includes the use of a lock box to collect receivables for automatic deposit, a corporate savings account to provide maximum interest on idle funds and a short-term investment service for excess cash.

The bank encourages corporate customers to establish the checking account balance needed to handle normal business activity. When deposits exceed the balance, a phone call to the bank will transfer the excess into a corporate savings account at 5% interest. Should the excess not be needed for periods of 30 days or more, the bank can put it into a CD or other short-term investment. • •

How to create a new profit center for your business.

1. Let your receivables go to work as deposits, as soon as possible, with a Worthen Lock Box.

So you can put your money to work a few weeks by having your incoming checks mailed to a special post office box where we'll pick them up and deposit them automatically into your account.

It's called Lock Box. And it's designed especially for businesses with a high volume of small receivables, or a small volume of large receivables. Lock Box is a most collection service that can put your money to work for you sooner than ever before. And it's just a part of a whole new Cash Management System offered by Worthen Bank.

Here's where it all begins...

We'll rent a special post office box in the name of your business, just to receive your remittance mail. Six times a day, between 1 P.M. and 1 P.M., we'll pick up your receivables as they arrive. And then deposit them automatically into your account.

And of course, we'll forward detailed remittance information to you. Tell us how you'd like your money to come in. And who sent it.

But there's still one more thing we'll already be working for you by the time you've finished it.

Lock Box cuts clerical costs. And it creates an audit control, since your remittance and receiving functions will be totally separated.

2. Open a new Corporate Savings account and earn maximum interest on your funds.

Recent changes in the regulations of the Federal Reserve Board and the Federal Deposit Insurance Corporation now make it possible for your corporate savings account deposits up to \$150,000.

With a new Corporate Savings account, you can earn 5% interest, compounded quarterly. And with Worthen's Cash Management System, your money can be put to work automatically in your Corporate Savings.

It works like this:

You establish the checking account balance you'll need to handle your normal business activity. When deposits put you in excess of this established balance, give us a call and we'll put the extra money in your Corporate Savings account. Where it'll be earning interest.

Worthen's Cash Management and new Corporate Savings account can help you get off to a money-making money, right up until you need it.

And any company that is a business to make a profit, whether they're exporting or not, can participate in Corporate Savings and the Cash Management System. With Corporate Savings and Cash Management, you'll be able to transfer funds from checking to savings, and vice-versa, with just a phone call. And because our checking and savings are both here at Worthen, you'll avoid the time losses in money transfers.

So, after monthly savings statements, Quarterly, your savings statement will recap all your transactions and give you a report on how much interest your savings have earned.

3. Let your excess cash go to work in the short-term investment market.

Take the money you won't need for a month or so, and let it earn more for you in a Certificate of Deposit, or another profitable short-term investment.

Through Cash Management, the Worthen Investment Division can handle your investment opportunities with accurate answers based on up-to-the-minute market conditions as well as market forecasts.

Your corporate dollar can be working where it'll work best for your cash needs.

The whole point is our Cash Management system can minimize your idle cash and maximize the profit on your account dollar.

Profits that might otherwise go uncollected.

So let us help you create a new profit center by customizing a plan of cash management to suit your company's needs.

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Worthen Bank, Little Rock, has incorporated corporate savings accounts into its "Cash Management System," which includes lock box and investment services, as explained in this newspaper ad.

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*Sparkling Sunny
Easter*

Thrilling Halloween

Memorable Memorial Day

**Merry
Christmas
and a
year full of
cheer**

*Vivacious
Valentine's Day*

*Genial
Birthday
Wishes*

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