

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

CHRISTMAS/MARKETING ISSUE

JULY, 1976

Branch Strategy and Location Planning

Home Office Planning Study

Branch Office Strategy and Site Location Study revised

Home Office Site and Facilities Planning Study

15 Year Planning Period

Mercantile Bank

Bank Building Corporation

Market Area Profile

Average Family Income

Category	Value 1	Value 2	Value 3	Value 4	Value 5
PER HOUR	42.25	40.27	40.02	40.00	40.00
PER HOUR	14.80	8.50	5.96	4.59	3.7
PER HOUR	3.43	.52	.08	.01	.0

Current Level of Service

Adequate for Current Activity

Recommended for Growth

LIBERTY PRESENTS PAUL NADLER ON NEW ELECTRONIC TECHNIQUES AND HARDWARE.

Paul Nadler says:



Banking is in an evolutionary period. We are close to the time when people in Oklahoma will come to the checkout counter of a supermarket, put a card in the machine; and automatically move the money to pay for the purchase. And, if they're overdrawn, a light will light up saying "put back the bacon."

Much of this is a reality, with point-of-sale terminals and automatic teller machines.

Yet, bankers wonder, "We spent twenty years training liquor and grocery stores to cash the public's checks for them, and then we spend \$30,000 to buy a machine that puts the burden right back on us."

What path should a community bank take in the complex and expensive environment of new banking techniques that electronic transfer of money is bringing?

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These progressive bankers are learning they can take advantage of an existing educated customer card base. Plus, they can offer their customers the extra convenience of over sixty guaranteed check cashing locations in the greater Oklahoma City area alone. What are your needs in the sophisticated world of electronic banking services? Should you begin with verification and guarantee services only? Or, should you consider a full service POS/ATM operation? It's all available...



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MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Convention Calendar

Volume 72, No. 8

July, 1976

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For the bank that has tried everything!

Jim Fabian

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MID-CONTINENT BANKER is published 13 times annually (two issues in May) by Commerce Publishing Co. at 1201-05 Bluff, Fulton, Mo. 65251. Editorial, executive and business offices, 408 Olive, St. Louis, Mo. 63102. Printed by The Ovid Bell Press, Inc., Fulton, Mo. Second-class postage paid at Fulton, Mo.

Subscription rates: Three years \$21; two years \$16; one year \$10. Single copies, \$1.50 each.

Commerce Publications: American Agent & Broker, Club Management, Decor, Life Insurance Selling, Mid-Continent Banker, Mid-Western Banker, The Bank Board Letter and Program. **Donald H. Clark**, chairman; **Wesley H. Clark**, president; **Johnson Poor**, executive vice president and secretary; **Ralph B. Cox**, first vice president and treasurer; **Bernard A. Began**, **William M. Humberg**, **Allan Kent**, **James T. Poor** and **Don J. Robertson**, vice presidents; **Lawrence W. Colbert**, assistant vice president.

July

July 18-21: ABA I&PD Risk Management in Banking Seminar, Boulder, University of Colorado.

July 19-23: ABA National School of Bank Card Management, Evanston, Ill., Northwestern University.

July 20-22: ABA Governmental Relations Council Meeting, Washington, D. C., Washington Hilton.

July 25-31: ABA Operations/Automation Division Business of Banking School, Durham, N. H., New England Center.

July 25-Aug. 6: Southwestern Graduate School of Banking, Dallas, Southern Methodist University.

August

Aug. 1-13: Consumer Bankers Association, Graduate School of Consumer Banking, Charlottesville, Va.

Aug. 8-13: ABA National School of Real Estate Finance, Columbus, O., Ohio State University.

Aug. 14-20: Bank Marketing Association, Graduate Course in Bank Marketing Management, Madison, Wis., University of Wisconsin.

Aug. 15-28: Central States Conference, Graduate School of Banking, Madison, Wis., University of Wisconsin.

Aug. 16-27: ABA National Trust School/National Graduate Trust School, Evanston, Ill., Northwestern University.

September

Sept. 4-7: Assembly for Bank Directors, Colorado Springs, Colo., The Broadmoor.

Sept. 12-14: Kentucky Bankers Association Annual Convention, Louisville, Galt House.

Sept. 12-14: Bank Marketing Association, EFTS Conference, Toronto, Can., Hotel Toronto.

Sept. 12-15: ABA Bank Card Annual Convention, San Francisco, Hyatt Embarcadero.

Sept. 12-17: Robert Morris Associates, Loan Management Seminar, Bloomington, Ind., Indiana University.

Sept. 12-17: Kansas, Missouri & Nebraska Bankers Associations, School of Basic Banking, Lincoln, Neb., University of Nebraska.

Sept. 15-17: ABA Southern Regional Operations/Automation Workshop, San Antonio, Tex., Hilton Palacio del Rio.

Sept. 19-21: Bank Marketing Association, Public Relations Conference, Chicago, Chicago Marriott Hotel.

Sept. 19-22: ABA National Personnel Conference, San Francisco, Fairmont Hotel.

Sept. 20-21: Mortgage Bankers Association, President's Conference, New Orleans, Hyatt Regency Hotel.

Sept. 26-29: National Association of Bank Women, Inc., Annual Convention, New York Waldorf Astoria.

Sept. 27-28: Robert Morris Associates, Lending to Banks & Bank Holding Companies Workshop, Chicago, Hyatt Regency O'Hare.

October

Oct. 2-6: ABA Annual Convention, Washington, D. C.

Oct. 6-8: National Association of Real Estate Investment Trusts, Annual Conference, Chicago, Hyatt Regency, Chicago.

Oct. 13-17: Consumer Bankers Association, Annual Convention, White Sulphur Springs, W. Va., The Greenbrier.

Oct. 17-20: Robert Morris Associates, Annual Fall Conference, Chicago, Hyatt Regency.

Oct. 17-20: Bank Administration Institute, Annual Convention, Philadelphia.

Oct. 24-27: Bank Marketing Association, Annual Convention, Miami, Fontainebleau Hotel.

Oct. 24-29: Kansas, Missouri & Nebraska Bankers Associations, Intermediate School of Banking, Lincoln, Neb., University of Nebraska.

Oct. 25-27: Mortgage Bankers Association, Annual Convention, San Francisco, San Francisco Hilton.

Oct. 27-29: ABA Midwestern Regional Operations/Automation Workshop, St. Louis, Chase Park Plaza.

Oct. 31-Nov. 5: Kansas, Missouri & Nebraska Bankers Associations, Advanced School of Banking, Lincoln, Neb., University of Nebraska.

MID-CONTINENT BANKER for July, 1976

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MID-CONTINENT BANKER for July, 1976

The Banking Scene

By Dr. Lewis E. Davids

Hill Professor of Bank Management,
University of Missouri, Columbia

What Future for Bank Purchases?

HOW MANY of the 14,000 or so banks in the U. S. are for sale? No one knows. Often, a sale of a bank is between insiders and isn't discussed in public.

An advertisement in a recent issue of a nationwide banking publication was headed, "Banks for Sale: The following summations represent only a few of the over 100 banks we have for sale all across the United States. Please do not call, no information will be given on the phone. If interested, please write, giving full information."

"The extra expertise professed by the HC in generating income has tended to be countervailed by the higher price that HCs could afford to offer beyond what a unit-bank purchaser normally would have considered."

A listing of seven banks followed: institutions in Ohio, Wisconsin, Massachusetts, Illinois, Texas and Alabama. They ranged in size from approximately \$4 million in assets to one having over \$130 million in assets and 13 branches.

Obviously, a single advertiser of banks for sale couldn't have a monopoly in this country. In fact, there are a number of agencies that specialize in selling banks in limited geographic areas. The previously mentioned advertisement raises questions on the subject: Has there been a structural change in the sale of banks from, say, a decade ago?

The bank HC movement, in its present form, is less than 10 years old. Before that, most bank sales were of a unit type, purchased for unit operation. The advent of the HC has resulted in a number of situations where unit banks suddenly became more attractive

to purchasers, who believed that by affiliating the unit bank into an HC, the substantial economies of scale and opportunities as well as increased profitability could be achieved.

Looking back, it appears that much of this attitude was based on wishful thinking. The extra expertise professed by the HC in generating income has tended to be countervailed by the higher price that HCs could afford to offer beyond what a unit-bank purchaser normally would have considered.

In the early 1960s, the typical unit bank ranged in price from book to something around 20% over book. The premium tended to be associated with those banks' communities that were likely to have above-average growth. In the intervening 10-15 years, the sale price of the average bank went up to as much as 50% over book value.

Financial academicians shudder at the thought of using book value as the measure of price. They feel more comfortable in relating a bank's price to earnings.

In recent years, unit banks have been capitalized at approximately 10% of net earnings, selling at 1,000% of net earnings. One of the difficulties of using book value or net earnings is the considerable difference between the actual market value of the assets included in the book value of a bank. Since the book value is predicated on cost rather than market, in periods of increasing interest rates the book value—in the concept of current market value—should decline if banks use the generally accepted accounting principles rather than the accounting conventions that are unique to banks.

I discussed a problem institution with a leading Missouri banker who was anxious to purchase a bank in the problem bank's locality, for his HC. The bank's community had a high growth rate but the bank itself was

poorly run. Its owners were asking twice book value. The prospective buyer said he would pay twice the real book value of the bank, but only the stated book value. The transaction never was consummated and that institution continues to limp along with little or no earnings. If the institution had sold at twice its real book value or twice its stated book value, it would have been capitalized at a fantastic rate of return, because its earnings were so small.

For a number of years, the HC movement has provided the greatest

"History suggests that the trend (for multibank HCs) will continue to grow and be permitted by statute. Concentration of banking will be limited only modestly."

outlet for sales of unit banks to affiliate with HCs. For the past year or so, it appears that HCs have been trying to digest and assimilate their existing institutions. They have pulled back somewhat from seeking additional member banks, due in part to the drop in securities prices of bank HCs, making it difficult to have the exchange value of the HC stock be attractive enough to the unit banker for affiliation. Now that overall security prices have been moving up and the economic outlook appears favorable, the tapping of capital markets by all institutions appears more attractive. In addition, the novice figures on book value and price-times-earnings seem to provide a fairly clear view of the determination of the sale price of a stock.

Actually, there are many other factors that have a bearing on stock prices. One is that few individual purchasers of banks actually have the fi-



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“Should a lawsuit strike, we support you all the way—the way you want.

“Some D & O insurers take a very strong stand and take over the case, period. Some avoid any involvement.

We like to act as a helpful partner. For example, when you tell us about a lawsuit, you have the right—with our approval—to select counsel. Then we’ll work with you on any significant steps that are taken. What we don’t like to do is take control, because we believe no outsider should determine the proper course for you in such a serious situation. After all, it isn’t only money that’s involved, the reputations of the individuals and the institutions also are at stake.

“Ours is the one policy specifically designed for banks.

“When you buy from us, you get insurance specially tailored to your needs, right down to the application form. As a subsidiary of MGIC Investment Corporation (a respected member of the financial community),

we are thoroughly familiar with bank operations and needs. Our underwriting, we think, is of higher quality due to this expertise. So, when you join the more than 1,400 financial institutions insured by MGIC, you’re keeping good company.

“For a point-by-point comparison between MGIC and any other D & O policy, we’ll be happy to talk with you, or your attorney.

“You may feel more comfortable having your attorney contact us because he’s the expert you head for fast when threatened with a lawsuit. And he’s probably best qualified to help you make the right decisions on coverage. He’s also probably best able to show you what we mean by “total protection” and why, dollar-for-dollar, you get a better value with MGIC Directors’ and Officers’ liability insurance. So for the full story, I suggest either you *or* your attorney call me or our Marketing Director, Art Barnard, toll-free, at 800-558-9900. Or write today.”

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financial wherewithal—cash—to swing the transaction. Therefore, they must turn to some other financial institution to help finance the purchase. A decade ago, many correspondent banks were willing to give preferential loan rates for bank-stock acquisitions, predicated on the fact that the new purchaser would maintain attractive compensating balances with the financing institution from the purchased bank. In addition, the purchaser also could put up the purchased bank's stock as collateral. The spread between the cost of carrying the collateral and the earnings of the controlled stock frequently were such that the transaction was quite viable.

With loan interest rates increasing at a faster rate than bank earnings—because banks were forced to pay higher amounts for deposits—such financing arrangements no longer were attractive. In a number of situations, regulatory agencies issued strongly worded “letters” pointing out the undesirability of a city correspondent bank financing bank purchases with preferential rates tied to compensating balances. Several lawsuits in the last five years have convinced many bankers that this is an area that should be avoided.

Perhaps the most important development has been the regulatory agencies' perception of capital adequacy. Because of that perception, bank HCs were strapped and highly leveraged. The HCs increasingly found that the Fed would turn down applications for bank acquisitions until the HC improved its capital position.

The Fed is sympathetic to the sale of smaller institutions to individuals having requisite skills and capital, but those with hard-earned skills and long years in banking find they haven't been able to acquire enough capital to meet the standards of the equity needed to gain control.

For a while, it appeared that the Fed had assumed the posture taken by the Securities & Exchange Commission (SEC), which held that, in making a tender offer for stock of a bank, all individual shareholders were to be given an equal opportunity to subscribe to the tender offer on a pro rata basis. This idea had been held by the SEC for a long time and was shot down by judicial decisions, which accepted the real-world fact that a higher price could be paid for control and that higher prices needn't be extended to all the minority shareholders of a bank. This development restored, if it hadn't always existed, the two-tier price structure for bank stocks: one price for con-

trol and one for noncontrol, at least for modest sized and nonpublic banks. Preference for the concept of equal tender offers to all shareholders on a pro rata basis still is held to strongly by influential elements in regulatory agencies.

Working against the aforementioned factor of control has been the implication of using the one-bank HC or the multibank HC approach. Tax laws virtually preclude the use of an HC approach unless 80% or more of the bank's stock is acquired, so obtaining defacto control by an amount less than that appears to ameliorate the situation favoring unit acquisition.

There still are a number of unit bankers who refuse to consider the sale of their banks to a multibank HC, preferring a sale to an individual or to a one-bank HC. This reduces the alternatives for a broader selling market and probably has tended to reduce the upward pressure on the stock price of such banks.

Looking to the days ahead, there are questions about the possibility for a resurgence of the multibank HC. History suggests that the trend will continue to grow and be permitted by statute. Concentration of banking will be limited only modestly. Several states have adopted legislation limiting one-bank HCs to a percentage of the total deposits in the state. At the federal level, the concentration figures are of interest to the Justice Department and serve as a constraint where more than one-third of a community's or market area's resources are in one bank.

Still, some developments have the potential for making radical but evolutionary changes in the sale and purchase of banks—either as units or in HCs. One is the ESOP (Employee Stock Option Plan), a complex piece of legislation. Few banks have them. There is some need for clarification by the IRS on the valuation concepts of closely held bank stock which would, in effect, become available to the ESOP.

ESOPs' proponents feel the plans have definite value, that the plans encourage capitalism by helping existing employees and officers acquire ownership in an institution. Opponents hold that ESOPs lead to dilution for existing shareholders and may pose problems of control in years ahead. At this point it's difficult to say what will be the result of ESOPs. Will they be an important factor in the determination of control of banks or, like the Small Business Investment companies, will they be like a comet, having a brief flash and then fade rapidly? • •

Ivey Is First Woman Pres. Of Ala. Young Bankers; Powell Cited at Convention

MOBILE—Kay Ivey, assistant cashier, Merchants National, has been installed as president of the Alabama Young Bankers and Ray O. Powell, the bank's vice president and auditor, has been named the association's outstanding young banker for 1976.

Those announcements came at the 21st annual convention of the Young Bankers in Gulf Shores May 12-14.

Miss Ivey has served as the Young Bankers' treasurer and vice president and is the first woman president since it was organized in 1955. She joined Merchants National in 1970 and was instrumental in the establishment of the Alabama Banking School at the University of South Alabama here.



IVEY



POWELL

The outstanding young banker award is based on the contributions made by the nominees to their own banks and to banking in general, and for community interest demonstrated through leadership or participation in civic, cultural, church or fraternal organizations. Mr. Powell is a graduate of the American Institute of Banking and the School for Bank Administration at the University of Wisconsin, Madison. He is the Bank Administration Institute's state director for Alabama and is a member of the Ala.BA operations committee.

W. J. “Happy” Fulford, assistant cashier at Merchants National, has been named outstanding group chairman by the Young Bankers.

Other newly elected Young Bankers officers are J. R. Jones, vice president, Escambia County Bank, Flomaton—vice president; Dowd Ritter, assistant vice president, First National, Birmingham—treasurer; and Rance Kelley, vice president, Central Bank, Huntsville—secretary.

On a New Source of Money for Your Customers

from

**Ronald J. Krause, President and Sheldon G. Karras, Sr. V.P.
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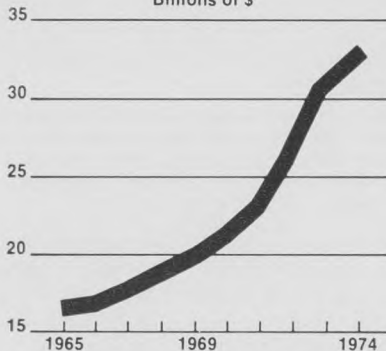
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The commercial finance industry has grown dramatically during the past decade as more and more

banks recognize us as partners and not competitors. Our bank participation program is positioned to bring new business to your bank and present the added opportunity to service your customers in an imaginative and innovative way. The careful planning for growth of a customer by both the bank and our commercial finance team can lead to long-term, profitable relationships for you.

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other transportation and material handling programs through its transportation division. Through the industrial financing and leasing departments, Associates finances production, construction and plant and field equipment. We finance and lease vehicle and fleet programs directly with customers or through banks.

May we suggest you retain this letter and file under "Associates Commercial Corporation, The Billion Dollar Financial Resource." If we can answer any questions or discuss opportunities with you, we'd be most happy to do so.

We believe the professionals at Associates Commercial Corporation can be a most significant and vital source of funds for your customers, and look forward to enhancing our relationships with you.

Sincerely,

Ronald J. Krause
President

Sheldon G. Karras
Senior Vice President

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We understand
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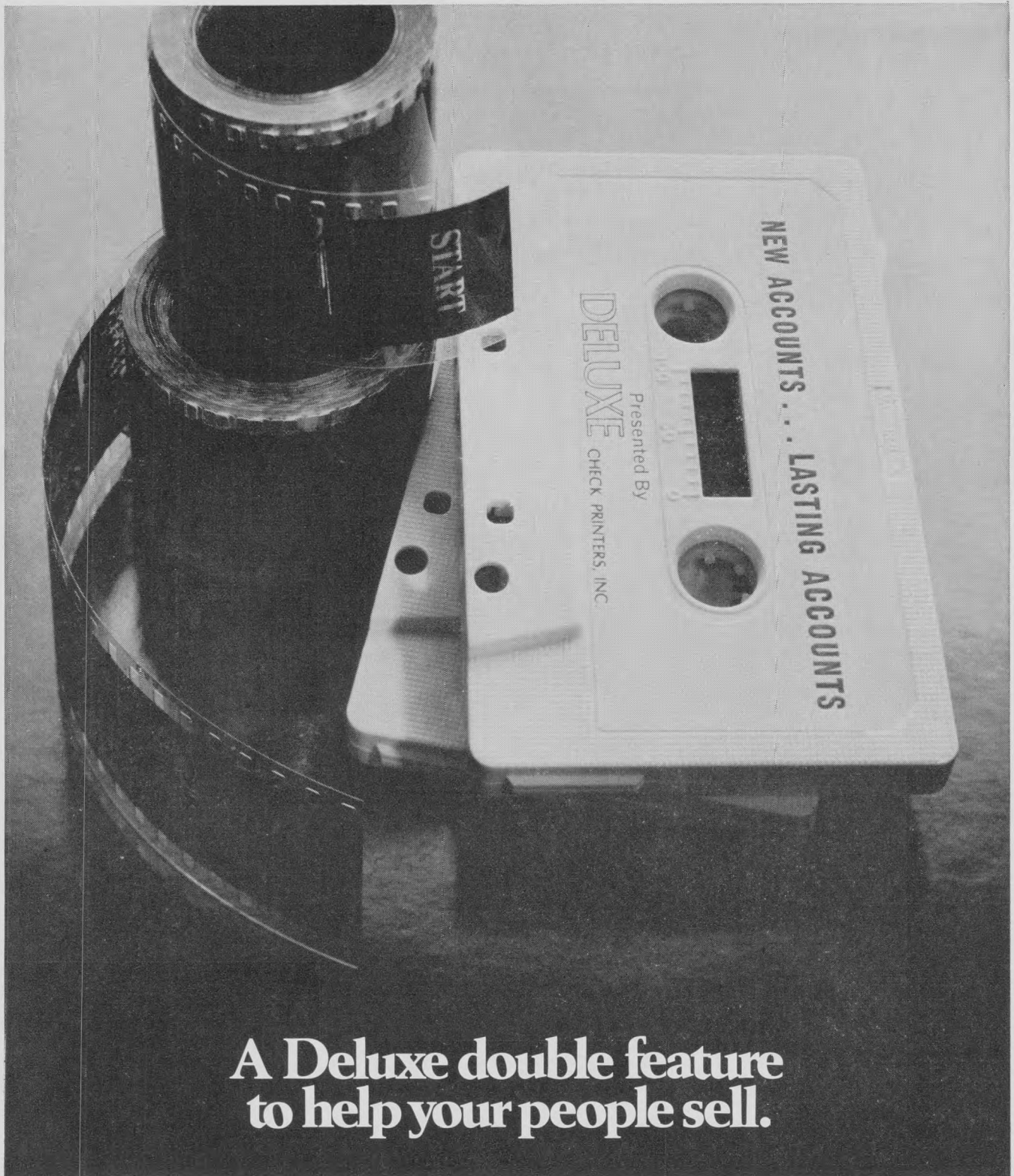
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MID-CONTINENT BANKER for July, 1976



Clarence C. Barksdale (c.), ch. and CEO, First Nat'l in St. Louis, cuts the ribbon to open the St. Louis Room of the historic Old Courthouse in St. Louis. As a bicentennial gift to the community, First Nat'l sponsored the refurbishing of the former courtroom which now serves as a setting for a graphic interpretation of the city's history. Assisting Mr. Barksdale are Lu Ann Leder, Ms. Downtown St. Louis, and Robert S. Chandler, superintendent, Jefferson Nat'l Expansion Memorial.

Loss Prevention:

Bank Uses Mobile Unit; Shows Protection Methods

After one year of operation, 12,000 people reportedly have visited the mobile HELP unit of National Bank of Detroit. The unit contains over 100 tips and products for fire prevention and auto theft, burglary and small business protection.

Winner of the 1974 Public Relations Society of America's Silver Anvil Award, Project HELP—Help Enforce Loss Prevention—works in cooperation with Detroit and Michigan State Police, the Wayne County Sheriff's Department, the FBI and many suburban law enforcement agencies.

Displays include door and window locks, a variety of home protection devices priced under \$10 and burglary prevention suggestions. HELP also provides information for merchants, stressing store protection measures and bad-check safeguards.

"Operation Identification" is a city-wide program for marking valuables with electric engravers, which are available through local police precincts. The bank has donated more than 3,000 engravers to community groups for use in the program.

Also available from NBD's library are two films, "Woman, Beware" and "The Bunco Boys," along with eight slide presentations on self-protection, burglary prevention, crime and the citizen, bad checks, shoplifting, robbery, crime prevention and auto theft.

Community Involvement

'Dimension 60':

Senior Citizens Program Holds Series of Seminars

About 700 people—all members of the Dimension 60 program of the affiliate banks of First Midwest Bancorp., Inc., St. Joseph, Mo.—were on hand for a seminar on "Changes and Update in Social Security and Medicare."

The seminar was held in St. Joseph. Participating HC banks were First National, First Trust and First Stock Yards Bank, all of St. Joseph, and Home Bank of Savannah.

A panel of speakers, moderated by Gary Mowrey, assistant marketing manager for the HC, included Don Johnson, assistant district manager, Social Security Administration; Arlene Minks, director of social services, St. Joseph Hospital; and Richard Wollenschlager, office manager, Methodist Medical Center. A question-and-answer period followed the panel presentation.

The Dimension 60 program includes a variety of free banking services and discounts from participating merchants and stores in the area. To be a member of the program, one must be 60 years old "or better" and have a savings account or CD at any of the affiliate banks.

The seminar featured free refreshments and door prizes and the HC provided free rides on the city bus line to and from the event.

Upcoming seminars will cover topics such as "How to Protect Your Health After Age 60," "The Ins and Outs of Income Tax Preparation" and "How to Avoid Fraud and Confidence Schemes."



J. M. Ford II (r.), ch. & pres., First Midwest Bancorp., Inc., St. Joseph, Mo., and Gary Mowrey (c.), assistant mktg. mgr., greet a guest during first of HC's Dimension 60 seminars.

Free Advice:

Bank-Sponsored Seminar Analyzes Trusts, Estates

Webster Groves (Mo.) Trust has sponsored a seminar on trusts and estate analysis.

Offered to area residents at no cost or obligation, the event drew a near-capacity crowd of 225 to a local hall. Webster Groves is located in St. Louis County.

As part of the program, a trust representative of an affiliate, First National, Kansas City, was on hand to discuss and answer questions about trusts, money management, estate taxes, continued management of businesses and other related topics. That representative was Tom Foster, vice president with the bank.

Both the Kansas City bank and Webster Groves Trust are affiliated with First National Charter Corp., Kansas City.



On hand to provide information and answer questions during trust and estate analysis seminar of Webster Groves (Mo.) Trust were (from l.) Warren Druschky, bank pres. & chief admin. off.; Tom Foster, v.p., First Nat'l, Kansas City, affiliate bank; M. Leon Hall, host bank ch. & CEO; and Norville R. Gish, s.v.p., First Nat'l Charter Corp., parent HC for banks.



Near-capacity crowd of 225 was in attendance during trust and estate analysis seminar of Webster Groves (Mo.) Trust.

Our idea of correspondent banking:

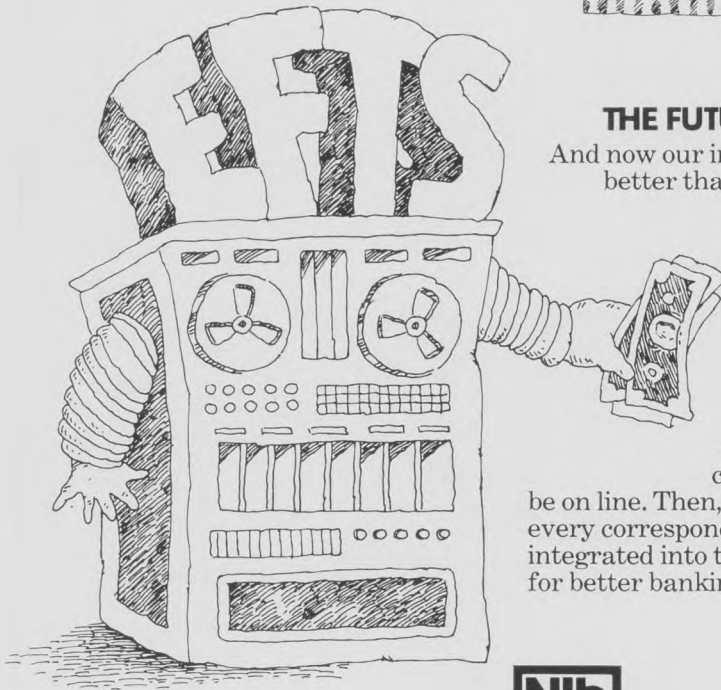


THE COMMITTEE OF ONE.

Our people are real, live, experienced correspondent professionals, with years of correspondent banking behind them. They aren't management trainees or just goodwill ambassadors, so they can okay loans or services—like our new EFTS services—on the spot. Without going through unwieldy, time-wasting committees.

WE CALL YOU BY NAME. NOT BY PHONE.

You see, National Boulevard believes in person-to-person, eye-to-eye contact with the management of every correspondent bank. Right there at the correspondent bank. So things get done faster, friendlier.



THE FUTURE STARTS TODAY.

And now our individualized services will be better than ever, because National Boulevard is ready with EFTS. Electronic Funds Transfer Systems. EFTS means efficient response to your service requests. Immediate response. For instance, our Central Information File is already on line, sending special data to correspondents at a moment's notice. Soon, checking and savings accounts will be on line. Then, step-by-step through the year, every correspondent service will be fully integrated into the system for more convenience, for better banking.



The bank for the New Downtown
NATIONAL BOULEVARD BANK
OF CHICAGO

400-410 North Michigan Ave., Chicago, Ill. 60611 Phone (312) 467-4100 Member FDIC

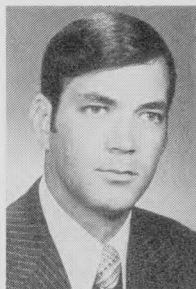
NEWS OF THE BANKING WORLD



SMITH



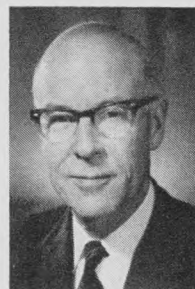
JOHNSON



ISELL



BALDWIN



INGERSOLL



SCHMIDT

• **James E. Smith** resigned as Comptroller of the Currency last month, two years short of fulfilling his five-year term. Mr. Smith cited personal reasons for his resignation, which becomes effective at the end of this month. During his tenure in office, the nation witnessed the four largest bank failures in its history. All four were national banks under the jurisdiction of the Comptroller. The failures brought charges of laxity against Comptroller Smith, but it was thought he had weathered the storm prior to his resignation. Secretary of the Treasury William Simon praised Mr. Smith's "skillful leadership" and his "major initiatives to modernize the regulatory and supervisory process."

• **Bradford M. Johnson** has been promoted from account officer to senior account officer at Citibank, New York City. He joined the bank in 1972 and for the past three years has had lending and account responsibility for correspondent banks in Texas, Oklahoma and New Mexico.

• **Phillip B. Isbell**, correspondent officer with National Stock Yards National, National City, Ill., who calls on banks in Illinois and Indiana, and Donald J. Baldwin, correspondent officer who calls on banks in southern Missouri and Arkansas, have been named assistant vice presidents. Also elevated to assistant vice president was Ronald L. Watson, the bank's tax and trust officer. Mr. Isbell joined the bank in 1963; Mr. Baldwin, in 1968; and Mr. Watson, in 1962.

• **Morgan Guaranty Trust**, New York City, has promoted the following from vice presidents to senior vice presidents: Frank E. Reed, Neil D. Chrisman, David B. Dyché Jr., William J. McGoldrick, John K. Sands, Henry C. Schreier Jr., Thomas W. Stanley,

Thomas J. Sweeney, Rodney B. Wagner and David D. Wakefield. Mr. Reed has been with the bank since 1968 and previously was in charge of a group serving clients in five midwestern states. He now is head of the banking group of the national banking division serving midwestern and western states.

• **Robert S. Ingersoll** has been elected a director of First Chicago Corp. and its subsidiary, First National, Chicago. He is deputy chairman and first vice chairman, University of Chicago board of trustees. He previously served on the First Chicago board, 1958-72, when he was named ambassador to Japan. He served in other government posts until this year. Mr. Ingersoll fills the space on the bank and HC boards left by the resignation of Gaylord Donnelley, executive committee chairman, R. R. Donnelley & Sons Co. Mr. Donnelley had served as a bank and HC director since 1969.

• **Chauncey E. Schmidt**, president, chairman and CEO, BanCal Tri-State Corp., and CEO of its subsidiary, Bank of California, both of San Francisco, has assumed the additional duties of bank chairman, succeeding Charles de Bretteville, who has retired. Mr. de Bretteville will continue as a bank and HC director. Prior to joining the bank and HC, Mr. Schmidt was president, First National, Chicago.

• **Gaylord Freeman**, honorary chairman, First National, Chicago; Gabriel Hauge, chairman, Manufacturers Hanover Trust, New York City; and William H. Baughn, director, Stonier Graduate School of Banking, Rutgers University, New Brunswick, N. J., have received Stonier's Ayres Leadership Award. Presented only eight times since its 1947 establishment, the award is made to those who have encouraged a better understanding of economic

problems in the U. S. and support of banking. The award was established to perpetuate the intellectual achievements of the late Brig. Gen. Leonard P. Ayres, a former Stonier instructor and vice president, Cleveland Trust.

• **David H. Jones**, deputy comptroller for strategic studies, Comptroller of the Currency's Office, Washington, D. C., has been assigned additional responsibility for the Banking Research Division by Comptroller James E. Smith. The division formerly was supervised by the deputy comptroller for Washington operations as the Research and Analysis Division. The Strategic Studies Department now comprises two divisions: Strategic Analyses, with Gordon Eastburn as director, and Banking Research, with Robert Dince as acting director. In addition, Comptroller Smith has appointed William A. Longbrake, formerly economist, Division of Corporate Planning, FDIC, as associate director, Banking Research Division.

• **David M. Lilly**, chairman, Toro Industries, Minneapolis, has been confirmed by the U. S. Senate to fill the Federal Reserve Board seat left vacant by the May resignation of Robert C. Holland. The unexpired term ends January 31, 1978. Mr. Lilly is a former chairman, Minneapolis Fed.

• **J. P. Morgan & Co.**, and its subsidiary, Morgan Guaranty Trust, New York City, have announced the following elections: Lewis T. Preston and John P. Schroeder, to vice chairmen of both firms, to succeed Thomas Rodd and DeWitt Peterkin Jr., and Daniel P. Davison, Robert V. Lindsay and Alexander M. Vagliano, to bank executive vice presidents.



“THEM OLD COTTON FIELDS DOWN HOME”

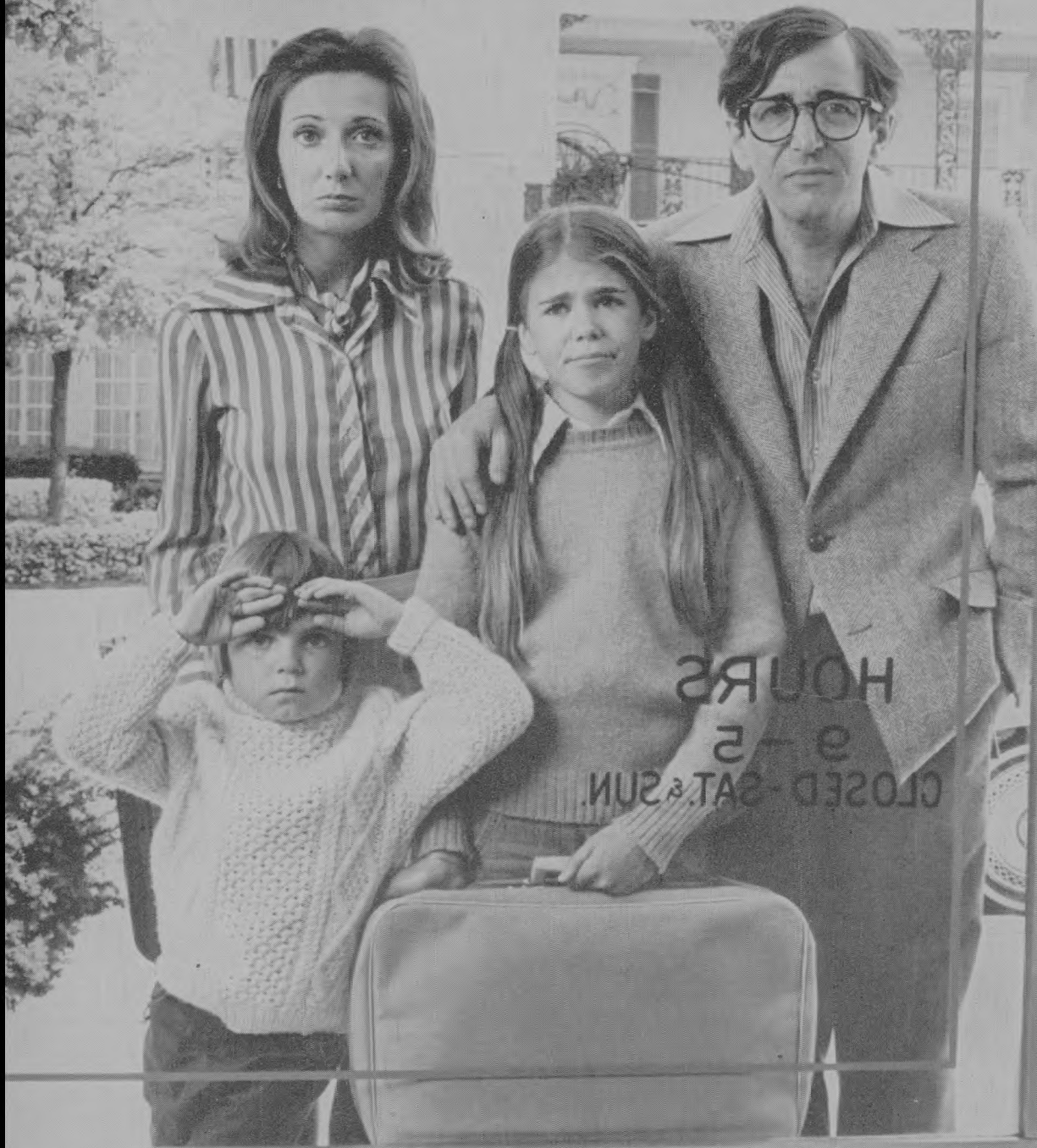
are still going strong. So are Mississippi's efforts at industrial expansion and in state processing of our agricultural products and timber resources for increased sales on the international market. We'll bet you don't know all the facts about the good things we're doing in Mississippi.



**Find out more from
First National Bank...
you'll be interested
in what you hear.**

Jackson, Mississippi Member FDIC

BANK



HOURS
9-5
CLOSED - SAT & SUN.

If you sell your customers an ordinary brand of travelers cheques, be sure to tell them not to lose them on a weekend.

Or on a holiday. Or even at night. Why? Because ordinary travelers cheques have ordinary refund systems. Which are only open during normal banking hours, Monday through Friday.

If a customer loses ordinary travelers cheques on a weekend, he could be out of funds for quite some time.

And that's enough to ruin a perfectly good vacation.

Your customer deserves better than this. He deserves American Express® Travelers Cheques.

Only American Express can give your customers an Emergency RefundSM 24 hours a day, 365 days a year, for up to \$100 at Holiday Inns across America and Canada.

Our Emergency Refund system alone is enough to rescue a vacation from disaster. But it's just one of the reasons

why American Express is the world's number one brand of travelers cheque.

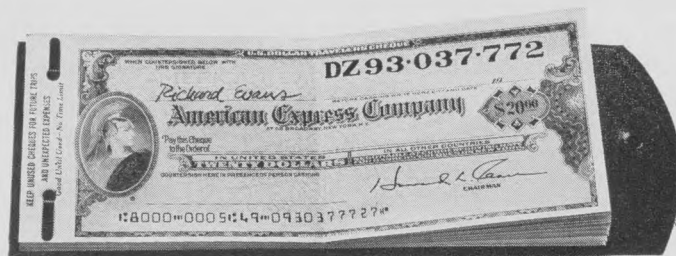
Here are a few more.

1. American Express Travelers Cheques are good at thousands more hotels, motels, restaurants and gas stations across America than any other brand.

2. In addition to Emergency Refunds at odd hours, your customers can get *full* refunds during normal business hours. Usually on the very same day.

3. Only American Express Travelers Cheques are supported by the world's largest network of travel offices. Helpful places around the world where your customers can go with a problem.

Good customer relations are priceless. You can protect them with the world's number one brand of travelers cheques: American Express.



American Express Travelers Cheques

Agricultural News

Fischer Elected AIB President
At 76th Convention in St. Louis

ABA Offers Action Agenda to Congress To Ensure Future for Young Farmers

THE ABA has proposed actions to ensure that young people are able to move into agricultural production with reasonable opportunities for success.

In testimony presented before the Senate Subcommittee on Agricultural Credit and Rural Electrification, C. P. Moore, an executive committee member of the ABA's Agricultural Bankers Division, outlined measures that call for a combination of actions by public and private sectors.

Such actions, he testified, should allow an environment which offers profit opportunities, since favorable income conditions of recent years is one reason college graduates are returning to the business of farming.

He said that preservation of capital resources in agricultural production is important. In addition to ABA support of estate tax law relief for small estates and farms presently before Congress, the ABA testimony suggested that Congress consider the establishment of a tax incentive for the early (before death) transfer of complete farm operation—personal property, land, or a combination of both.

"Such a tax incentive could make an orderly transfer of farms possible," Mr. Moore stated.

He added that the effectiveness of existing Farmers Home Administration (FmHA) loan programs be maximized.

"Basic tools are available to aid young people," Mr. Moore observed. "Some definite steps should be taken by Congress to increase the effectiveness of these tools."

Mr. Moore is president of the Northwestern National Bank of Sioux Falls,

S. D., which ranks 24th among the top 100 U. S. agricultural bank lenders.

The ABA testimony presented by Mr. Moore suggested four principal legislative proposals that Congress should first consider as actions to help young farmers and to encourage lenders to take advantage of the existing guaranteed FmHA farm loan programs.

- Increase the FmHA individual farm loan limits for both operating and ownership programs;

- Separate funding for the loan levels for direct and guaranteed loan programs;

- Allow the FmHA direct lending rate at a cost no less than the cost of money to the Treasury and allow all the FmHA guaranteed loan programs to be at local negotiated rates; and,

- Give high priority to provide FmHA with the resources—personnel and systems—and the authority needed to effectively service farm loans.

While calling the objectives of the Young Farmers Homestead Act of 1975 "commendable," Mr. Moore noted two major ABA concerns.

"We believe it is economically unsound for the federal government to compete in the marketplace for a scarce resource—farmland," and, Mr. Moore observed, "the overall program does not appear to be helpful to young farmers in establishing an economical unit."

"All lenders can do more to help finance young farmers," Mr. Moore observed. "It only takes an attitude change, solid educational effort on the methods and tools presently available and some research and development to make improved changes with an existing lending program." • •

ST. LOUIS—Clyde H. Fischer, controller, Northwestern National, Sioux Falls, S.D., was elected president of the American Institute of Banking at the group's annual convention here last month.

Elected vice president was Jerry J. Jason, personnel officer, Southeast First National, Miami. New executive council members are S. Gerald Hummel, Farmers First Bank, Lititz, Pa.; William W. Bawden III, Barnett Computing Co., Jacksonville, Fla.; Joseph H. Hill, County Bank of Santa Cruz, Boulder Creek, Calif.; and Myrtle M. Miller, Citizens Trust, Toledo, O.

Winner of the AIB national public speaking contest was Kris Maul, Lloyds Bank, Fresno, Calif. She told the 1,200 convention delegates that the banking industry can no longer afford a superficial view of corporate responsibility. The 50th anniversary of the speaking contest was observed at the convention.

Rudolph R. Fichtel, AIB national director, reported that an associate or baccalaureate degree from the Boston AIB Chapter could become a reality by 1979.



During recent AIB national convention in St. Louis, Mrs. Claire Giannini Hoffman (l.) accepts tribute to memory of her father, the late A. P. Giannini, founder of Bank of America and of the AIB's public speaking contest. Occasion was 50th anniversary of speaking contest, which was endowed by Mr. Giannini. Tribute, presented by Hartwell Davis, AIB administrative director, consisted of leather-bound book containing letters of appreciation from former winners and participants in speaking contest.

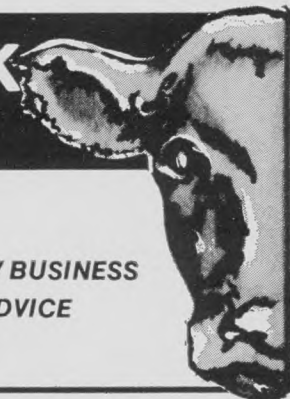
FARMERS GRAIN & LIVESTOCK HEDGING CORP.

LOOKING FOR IMMEDIATE ACCURATE INFORMATION
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WILDLY FLUCTUATING GRAIN &
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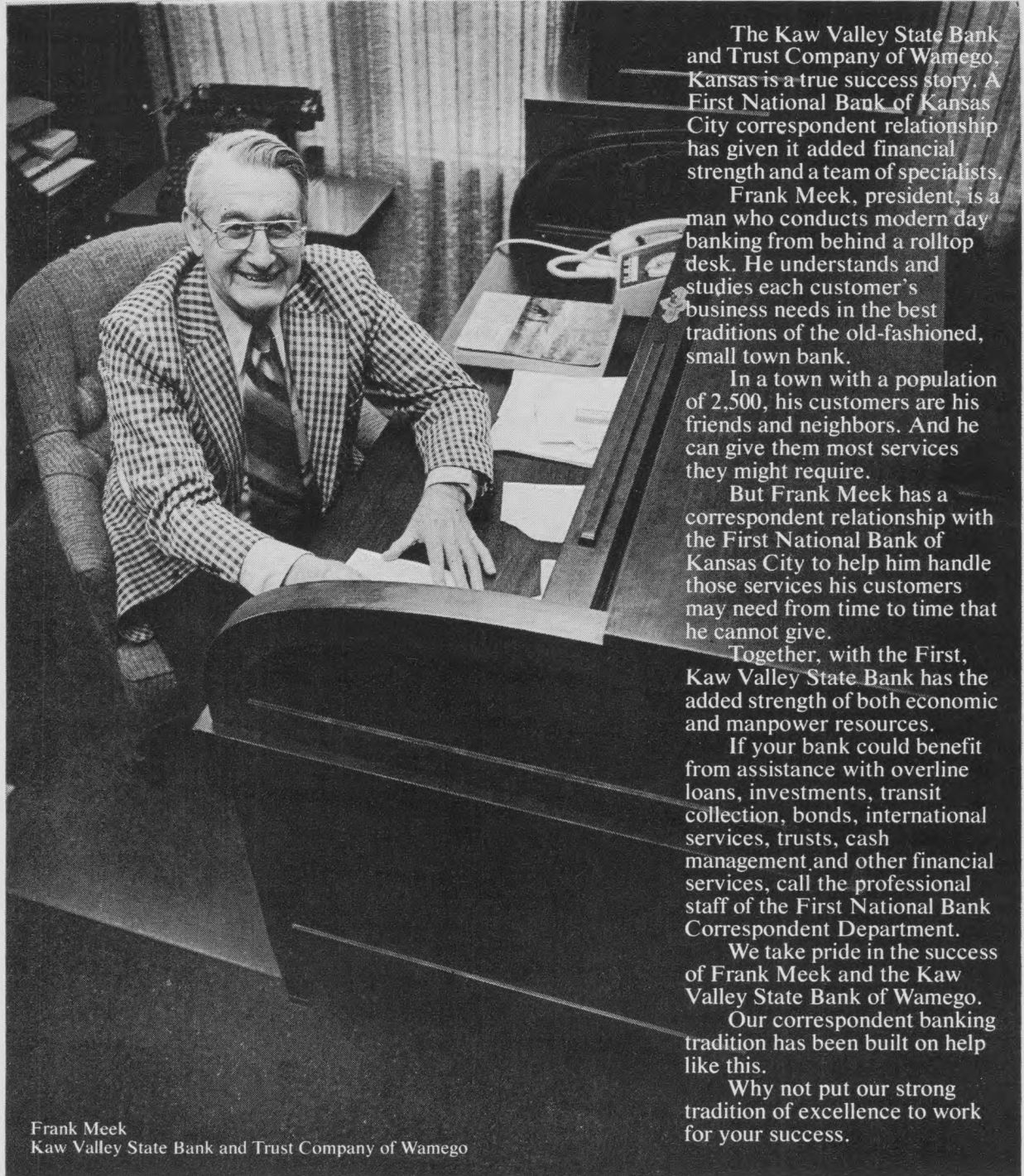
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OUR ONLY BUSINESS
IS ADVICE



“We can handle most things,
but when we can't
it's nice to be able
to call on the First.”



Frank Meek
Kaw Valley State Bank and Trust Company of Wamego

The Kaw Valley State Bank and Trust Company of Wamego, Kansas is a true success story. A First National Bank of Kansas City correspondent relationship has given it added financial strength and a team of specialists.

Frank Meek, president, is a man who conducts modern day banking from behind a rolltop desk. He understands and studies each customer's business needs in the best traditions of the old-fashioned, small town bank.

In a town with a population of 2,500, his customers are his friends and neighbors. And he can give them most services they might require.

But Frank Meek has a correspondent relationship with the First National Bank of Kansas City to help him handle those services his customers may need from time to time that he cannot give.

Together, with the First, Kaw Valley State Bank has the added strength of both economic and manpower resources.

If your bank could benefit from assistance with overline loans, investments, transit collection, bonds, international services, trusts, cash management and other financial services, call the professional staff of the First National Bank Correspondent Department.

We take pride in the success of Frank Meek and the Kaw Valley State Bank of Wamego.

Our correspondent banking tradition has been built on help like this.

Why not put our strong tradition of excellence to work for your success.

Your success is our tradition.

**First
National
Bank** of KANSAS CITY,
MISSOURI

An Affiliate of First National
Charter Corporation

Member FDIC

Corporate News Roundup



HANSON

• **Federal Signal Corp.** E. J. "Roy" Hanson has been named district manager, Houston Office, of the Federal Sign division of Federal Signal Corp., Burr Ridge, Ill. Mr. Hanson has been with Federal Sign 10 years and will manage and direct the sales force, art department and manufacturing and installation operations in the Houston area.

• **Brandt, Inc.** Lynn M. Kruger has been named district manager by Brandt, Inc., which is headquartered in Watertown, Wis. Mr. Kruger will cover the Indiana, Kentucky and Illinois area. He most recently was district manager, Cleveland area.



CARTER

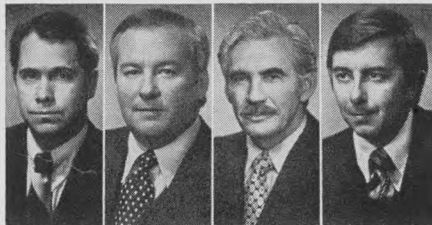
PATRICK

BOWEN

• **John H. Harland Co.** The following have been named vice presidents by John H. Harland Co., Atlanta: Hugh A. Carter Jr., Joseph E. Patrick Jr. and Robert H. Bowen. Mr. Carter joined Harland in 1968 and continues as district operations manager. Mr. Patrick has been with the firm since 1969 and retains his duties as area sales manager, based in California, while Mr. Bowen, who joined Harland in 1975, has a background in personnel and banking.

• **American Express Co.** John Dowd has been appointed vice president-national sales, Travelers Cheque and money order divisions, American Express Co., which is headquartered in New York City. Lynn Blanks has been named district sales manager, Travelers Cheque and money order divisions,

Houston Office. Mr. Dowd will direct all sales development activities relating to Travelers Cheques and Financial Institution Money Orders in the U. S. Previously, he was a vice president in the card division. Miss Blanks formerly was with South Main Bank and River Oaks Bank, both of Houston.



SEXTON LEVERICH LARRABURE TAYLOR

• **Bank Building Corp.** Richard L. Larrabure has been promoted to group vice president by Bank Building Corp., which is headquartered in St. Louis. The following have joined the firm as consultant services managers: Daniel J. Sexton, Bernard J. Leverich and Clay M. Taylor. As group vice president, Mr. Larrabure will have executive responsibility for Bank Building's eight financial market divisions and related services, and of BBC Financial Research Associates, a separate consulting division. Mr. Sexton will serve BBC Central Financial Facilities in the central Illinois area; Mr. Leverich, BBC Central Financial Facilities, Kansas City area; and Mr. Taylor, BBC Southwestern Financial Facilities, Dallas area.

• **Jordan/Marks & Associates.** Glen Jordan and John A. Marks have formed Jordan/Marks & Associates to provide management advisory services. The firm initially will have offices in El Paso and Dallas. Mr. Jordan formerly was president, PanNational Group, Inc., El Paso, while Mr. Marks formerly was executive vice president, First National, Albuquerque. Jordan/Marks will be associated with Banking Systems Inc., Dallas, a banking, computer and data processing company. Services provided by Jordan/Marks will include areas such as computer systems, acquisitions, mergers, marketing studies and corporate planning.

Women in Business Is Topic Of SBA-Sponsored Forum

The "Women in Business Forum" has been slated for mid-July in Kansas City, according to the U. S. Small Business Administration's (SBA) Kansas City Office.

The forum is a national pilot project sponsored by the SBA, the Kansas City Federal Executive Board and the Mid-Continent Federal Regional Council in cooperation with several women's organizations throughout Missouri, Iowa, Kansas and Nebraska. A number of other federal agencies have provided services and support for the project.

The forum will feature a nationally recognized keynote speaker at the luncheon. The "Women in Business Forum" will provide an opportunity for attendees to increase their markets, obtain up-to-date business assistance and gain information from leading experts in their respective business fields on how to start and stay in business.

The forum's schedule will enable each registrant to attend a series of six 50-minute related "Women in Business" forums, which will provide specific techniques on how to progress from the idea stage to the opening of the doors of a business, and beyond. Topics covered will be of interest to small and medium-sized businesses.

Registration fee is \$12.50—\$15 after July 7—which includes admission to all activities, forums and a luncheon. Write: "Women in Business Forum," Small Business Administration, 911 Walnut Street, Room 2300, Kansas City, MO 64106.

New Customer Services

Economic Chart Service Begun by Harris Bank

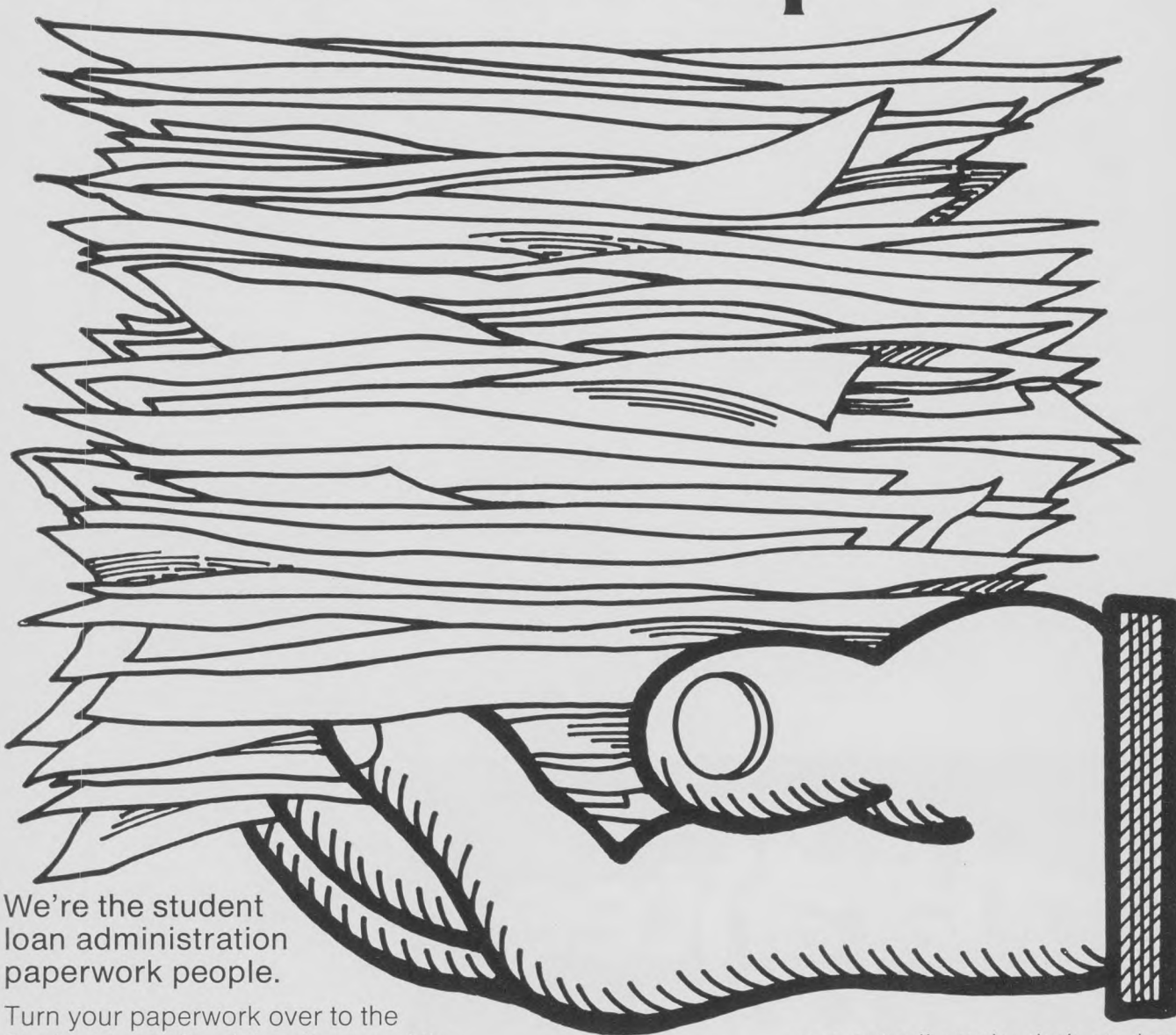
CHICAGO—Harris Bank has introduced an economic chart service for business firms and institutions.

Harrischarts, as the service is called, offers a monthly packet of 30 major economic indicators in chart form. A printed summary of each chart's significance in the economy also is provided.

Subjects covered by Harrischarts range from "Automobile Sales" to "Wages and Prices." The service includes the GNP, consumer spending, corporate profits, federal budget, housing starts and stock prices.

Bank officials say the Harrischarts service has been designed as a visual tool for corporate decision making and as an aid in marketing and planning presentations.

You've got to hand it to First Minneapolis.



We're the student loan administration paperwork people.

Turn your paperwork over to the Student Loan Servicing Center of the First National Bank of Minneapolis.

We're specialists. We're geared with the proper people and equipment to take this load out of your hands and save you money.

Over 325 lenders of every size have found that First Minneapolis



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First National Bank of Minneapolis

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can actually make their student loan programs more profitable. We can probably give you a hand, too.

Call us collect at (612) 370-4114. The Student Loan Servicing Center. First National Bank of Minneapolis.

Installment Lending

Insured Credit Offers Business Builders To Push Home Improvement Loans

LENDERS desiring to expand their bank's home improvement loan portfolios can try any number of business builders, according to "Modernization Topics," newsletter published by Insured Credit Services, Inc., Chicago.

A recent issue suggested eight projects, all designed to encourage bank customers to take out home improvement loans.

- A power tool offer was made by a bank in Florida the first three months of this year. According to the newsletter, home improvement loans totaling more than \$250,000 were generated largely by a \$2,000 investment in sample power tools, mail flyers, radio ads and a lobby display. According to the terms of the promotion, a borrower of \$1,000 to \$3,500 would get a drill or jigsaw free; borrowers of from \$3,500 to \$5,000 were eligible for a drill, a jigsaw or power sander at no cost; and borrowers of from \$5,000 to \$7,500 could have any two of the tools or one circular saw.

- A "brown bag seminar" was sponsored by a bank in Houston. The bank invited office workers to attend the seminar, which was held in the bank. About a hundred came, bringing their own lunches. The bank furnished soft

drinks and coffee and arranged for speakers to discuss home improvement financing, as well as planning, contracting, costs, pitfalls and the advantages of modernizing instead of moving. A question-and-answer session followed. Each guest signed a card to make himself eligible for a free gift and to give the bank a solicitation list. According to the bank, the seminar, along with bank advertising, resulted in a substantial increase in home improvement loan volume.

- A bank in Missouri staged a "get your home improvement money during March" promotion to get customers thinking about the fixing up they would be doing as the weather improved.

- Do-it-yourself instruction books can be put to work as premiums to stimulate home improvement loans. Books such as *Kitchen Ideas, Bathroom Ideas, Decks and Patios* and *The Better Homes & Gardens Handyman's Book* can be obtained with bank imprints when ordered in quantities of 15,000 or more, according to the newsletter.

- Miscellaneous giveaways can lure potential customers into the bank. Items such as hammers, hand saws, ladders, trees, flower seeds and other

items that are psychologically compatible with home improvement can trigger loan applications. The cost of these giveaways is small in relation to the potential benefits.

- A bank near St. Louis offered rebates to customers taking out home improvement loans. The announcement of \$50 rebates on loans of more than \$1,000 and less than \$5,000 resulted in 60 new loans. The rebates were in the form of interest and payment reductions.

- A newspaper ad listing 30 ways to make a house a dream home was published by an Ohio bank as an economical way to call home improvement loans to the attention of the public.

- Another Ohio bank tried a selective-file mailing that started out like this: "Dear Preferred Customer: Your past credit rating now entitles you to additional money!" Letters were sent to customers who had good payment records on past loans. Included in the announcements were wallet-sized cards proclaiming the customer to be a preferred customer. Although the cards didn't entitle recipients to any extras, the mailing resulted in a 3% increase in home improvement loans. ••

Schultz Named President Of KC Clearing House

KANSAS CITY—Norman C. Schultz, president and CEO, Merchants-Produce Bank, has been elected president of the Greater Kansas City Clearing House Association. He previously has served as vice president and as treasurer of the association.

Assuming the duties of vice president of the association is Jerome H. Scott Jr., president, United Missouri Bank. He also serves as a director and secretary for his bank's affiliate HC, United Missouri Bancshares, Inc., which also is headquartered in this city.

Succeeding Mr. Scott as treasurer of the Greater Kansas City Clearing House Association is Donald L. Hallier, executive vice president, Brotherhood State, Kansas City, Kan., where he also is trust officer, security officer and assistant secretary. He is a past president of the Wyandotte County Bankers Association and of the Kansas City Chapter of the Bank Administration Institute.

John P. Borden will continue as executive director and secretary of the clearing house, a position he has held since 1971. He holds a similar post with the Mid-America Automated Clearing House Association.

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Credit Guarantee Insurance on all forms of lending.

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Joe Williams

Fred N. Coulson, Jr.

"You do the impossible ultimately, the difficult, immediately."

Joe Williams was a familiar figure in early Commerce days. Red-haired, nattily dressed, he was one banker who always seemed to remember your name.

Joe Williams headed the Commerce Correspondent Department during the turbulent time of the 30's. He later became president of the bank. Joe believed that *Commerce bankers should do the impossible ultimately—the difficult immediately.*

That included pioneering the nation's first 24-hour transit department in 1928. A transit department so complete that banks all over the country turned to Commerce for advice. It also included special attention to each and every bank we served.

There was no end to what Joe believed could and should be done for his customers.

Banking is more sophisticated today, but Fred N. Coulson, Jr. head of our Correspondent Department, still believes in complete service for our customers.

Fred's people become totally involved with the banks they serve. They continue to find new, innovative means to help correspondent banks.

Maybe that's why approximately one out of every ten banks in the country maintains a relationship with Commerce Bank of Kansas City. Commerce Bank, what can we do for you?



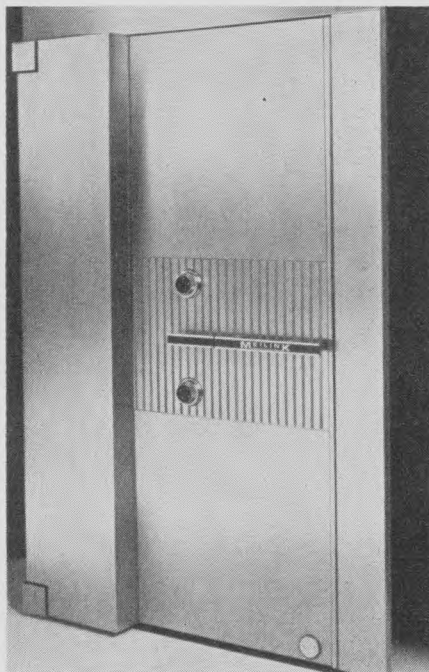
COMMERCE BANK
of Kansas City^{NA}

9th & Main 10th & Walnut 12th & Charlotte
234-2000 Member FDIC



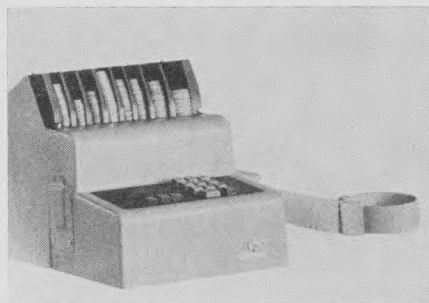
• **Magna Visual, Inc.** A complete visual control system offering foreign currency rates has been introduced by Magna Visual, Inc., St. Louis. The board shown in the accompanying photo is on a wall in a busy traffic area adjacent to the currency exchange department of Clayton (Mo.) Bank. As late figures are received, they are posted on the board with magnetic letters and numbers. Bank personnel are able to refer to the board from their desks and answer questions from customers throughout the day. For details and a free 32-page catalog of magnetic visual control systems, write: John Winkler, Magna Visual, Inc., 1200 North Rock Hill Road, St. Louis, MO 63124.

New Products and Services



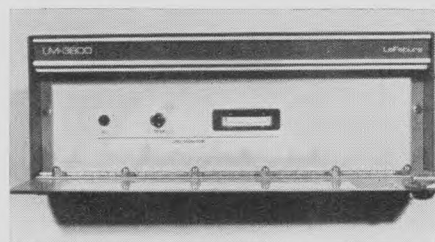
• **Meilink Bank Equipment.** The MD-350 stainless steel vault door has been unveiled by Meilink Bank Equipment, Toledo, O. All parts of the door, including bolts, are of stainless and the door features a 3½-inch attack-resistant monolithic slab throughout and two-way bolt action on both door edges. The MD-350 has a 36-inch clear opening, a floor-mounted doorstop and a daylock feature which eliminates the possibility of personnel being locked in the vault. Write: Meilink Bank Equipment, 3100 Hill Avenue, Toledo, OH 43607.

• **Brandt, Inc.** A newly designed 10-key calculator keyboard and digital audit display are features of the new Model 570 Electronic Cashier from Brandt, Inc., Watertown, Wis. The unit is available with a variety of optional systems for coin delivery. When the



coin supply wanes in a given channel, the Model 570 automatically locks to prevent short payment. The display then flashes until the coin supply is replenished or until the warning is bypassed by pushing a lock release. Write: Brandt, Inc., MODEL 570, Watertown, WI 53094.

• **LeFebure Corp.** The LM-3800, a telephone line monitoring system, has been introduced by LeFebure Corp., Cedar Rapids, Ia. The system sends a succession of unrelated random audio frequency signals from a police panel to the bank that are said to be nearly impossible to compromise. The bank then re-transmits the signal to the police panel, where it is verified. If a signal isn't received in the amount of time allotted, or if the signals are out of phase, a signal lamp and audio alert are activated at the central unit. Write: LeFebure Corp., P.O. Box 2028, Cedar Rapids, IA 52406.



• **R-Way Furniture Co.** "The Crestwood Collection," a full-color catalog of contemporary office groupings, seating and their features, is available from R-Way Furniture Co., Sheboygan, Wis. The collection combines solid walnut and matched walnut veneers with extruded aluminum inlays and walnut, olive ash burl or black vinyl tops. As a complement, R-Way has included a wide selection of coordinated executive, secretarial and lounge seating. Write: R-Way Furniture Co., 740 South Commerce Street, Sheboygan, WI 53081.



Featured in the "Crestwood Collection" catalog of R-Way Furniture Co., Sheboygan, Wis., are these furnishings: credenza, conference desk with black vinyl top (background) and conference desk with walnut top. Catalog includes coordinated executive, secretarial and lounge seating.

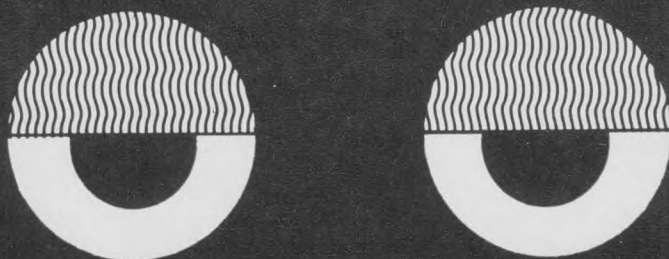
LARGEST IN MICHIGAN



NATIONAL BANK OF DETROIT

assets over
7 billion dollars

Member Federal
Deposit Insurance Corporation



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Firm Predicts EFT Development Rise, Sees Public Acceptance as Big Hurdle

DEVELOPMENT OF EFT will increase in the next few years, but the biggest hurdle it will face is in gaining public acceptance.

Those are two major conclusions reached in "Trends in Electronic Funds Transfer," a 20-page booklet from Peat, Marwick, Mitchell & Co. (PMM), New York City. The publication presents a detailed examination of principal factors affecting development and direction of EFT and outlines EFT's probable impact on financial institutions, retailers, consumers, the data processing industry and auditing practices.

The report's opening section delineates the present status of four EFT systems: automated clearing houses (ACHs), automated teller machines (ATMs), point-of-sale (POS) terminals and automatic telephone payments.

Advantages and disadvantages of each of the four systems are examined from the viewpoints of suppliers of the services—financial institutions—and the users—retailers, employers and consumers. The conclusion reached in the first chapter is that public acceptance of EFT is the number-one problem to be overcome. Once that is solved, the booklet points out, "other issues, whether arising from legal or technological sources, will be resolved."

Why has acceptance of EFT been so slow to come? The report points to two causes. The first is psychological; consumers resist change, they fear being treated like a number, thus losing their identities. The second problem is loss of float, accessibility of an individual's financial records by outsiders and unresolved legal issues. Education and compromise are seen as solutions to the problem by PMM.

But, the CPA firm says, due to the steadily increasing burdens of paper handling and operating costs, many facets of EFT will become common in the next five to seven years.

EFT's importance to auditors, retailers and the data processing industry is outlined in the ensuing three sections of "Trends in Electronic Funds Transfer."

Auditors must become involved in

the design of EFT systems if efficient and effective auditing are to be possible, the booklet maintains.

Retailers, it says, won't be leaders in the move to EFT and the savings they will realize will be dependent on what inducements are offered by banks. EFT will reduce the number of checks retailers will be asked to cash, but bad-check losses won't be eliminated unless *all* check cashing is done away with at the store level. PMM reports that "a significantly lower volume of checks may still result in the same dollar level of bad-check losses."

The data processing industry will be presented with problems and opportunities. There presently are few EDP professionals with an understanding of EFT's technical issues, but, the booklet says, data processing will grow with EFT. Over the next five or 10 years, there will be a demand for data processing specialists, equipment and communications systems.

The final section of "Trends in Electronic Funds Transfer" is based on interviews made in St. Joseph, Mo., and is a case history treatment of the community's attitudes toward EFT. St. Joseph, PMM indicates, has the physical and social characteristics of a small town combined with a financial and industrial community like that of a large city.

Interviewers found many instances in which strategic planning for EFT-service development could be beneficial to banks, retailers and commerce. An aggressive policy, it is reasoned, might give a competitive edge to the bank that adopts it. But, PMM concluded, St. Joseph is a conservative community and most businessmen there probably would adopt a conservative attitude toward installation or acceptance of electronic banking services, especially since so many questions about it remain to be answered. • •

Baynes, Dissmeyer Are Elected To Top Posts in NACHA

H. L. "Ted" Baynes, senior vice president, United Virginia Bankshares, Inc., Richmond, has been named president of the National Automated Clearing House Association (NACHA),

which is headquartered in Washington, D. C.

Mr. Baynes also is an incorporating director and executive committee member of the Virginia ACH Association and is chairman of the ABA's Operations and Automation Division.

Elected as NACHA vice president was Virgil M. Dissmeyer, senior vice president, Northwestern National, Minneapolis. He represents the Upper Midwest ACH Association and last year was chairman of NACHA's Systems/Operations Committee.

Named chairman of NACHA's three working committees were James L. Miller, vice president, National Bank of Detroit, representing the Michigan ACH—Education/Communications Committee; George E. Lowther, vice president, Wells Fargo Bank, San Francisco, representing the California ACH—Legal/Legislative Committee; and R. G. McElhatton, vice president, Cleveland Trust, representing the Mid-America Automated Payments System—Systems/Operations Committee.

Francis P. Curran, director, ABA Payments System Planning, continues as NACHA secretary/treasurer.

Those six individuals constitute the NACHA Executive Committee.

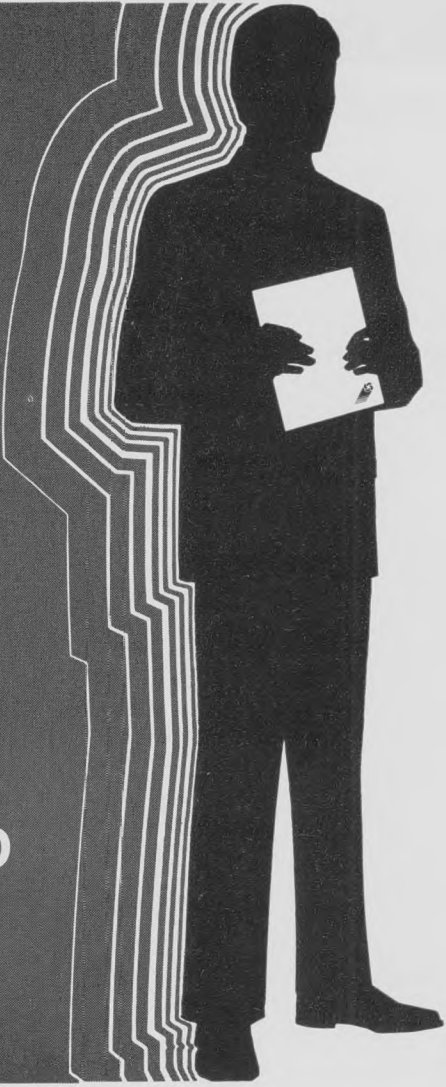
State-Wide Check Guarantees Announced by Bank in Arkansas

NORTH LITTLE ROCK, ARK.—Terence E. Renaud, president and chairman, Twin City Bank, has announced what he says is the first check guarantee system in this state.

The Twin City Banking Card allows the bank's customers to have their checks guaranteed by participating merchants in amounts up to \$100. In addition, customers can use the cards for identification or to withdraw as much as \$100 from the bank's All Day-All Night Banker ATM. Cash withdrawals also may be made at any participating Moneycard bank in the state.

"You ought to be in pictures" was the introductory slogan used in marketing the program. Special Polaroid identification cameras turn out complete cards, including plastic coating.

In conjunction with the card's introduction, Twin City Bank also has announced installation of the city's first ATM at the bank's Lakewood Office at 4130 JFK.



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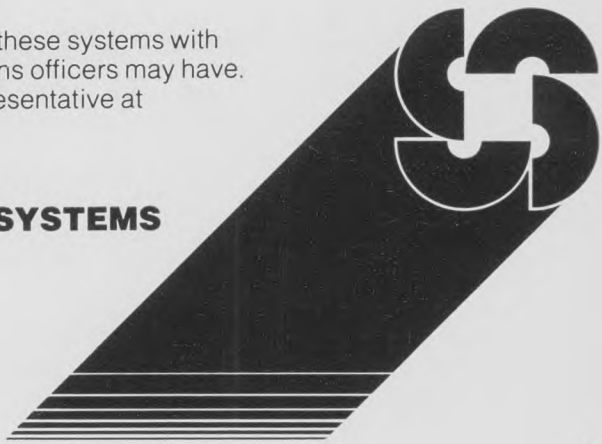
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NEWS ROUNDUP

News From Around the Nation

Interest Withholding Hit

The ABA has gone on record as opposing a congressional proposal to withhold federal income taxes on bank deposit interest and corporate dividend income.

The measure is not needed, an ABA spokesman said, and its passage would create inequities and hardships for small savers. In addition, it would harm the economy.

The ABA said the withholding tax would result in an unfair acceleration of many individuals' tax payments and would come from a previously untapped source: individuals' savings, rather than wages or salary.

The ABA's opposition to tax withholding on interest and dividends at their source is based on four points: The need has not been demonstrated, since almost all individuals report their interest income on their tax forms; it will be burdensome and inequitable for taxpayers, since much of it would end up as refunds and those not required to file tax forms would have to do so to claim the refunds; it would transform banks into tax collectors; and it would remove as much as \$10 billion from the nation's capital supply.

Similar proposals have been rejected in Congress on at least two previous occasions, the ABA said.

Fed Finalizes Antiredlining Rules

The Fed has issued final regulations to implement its antiredlining statute, which went into effect June 28. The statute, called the Home Mortgage Disclosure Act of 1975, requires lenders to disclose annually by census tract where and how many mortgage loans they make.

The initial disclosure must be made by September 30 for the previous year's loans.

The regulation affects approximately 4,400 banks, 3,000 S&Ls, 470 mutual savings banks and 600 credit unions, all with assets of more than \$10 million and with principal offices in Standard Metropolitan Statistical areas. All financial institutions making mortgage loans on one- to four-family residences are covered.

Chicago Pushes Off-Premises ATM Bill

A proposal to permit Chicago banks to set up an unlimited number of off-premise electronic banking machines has been introduced in the city council. The proposal would also permit banks to establish up to six loan production offices within city limits.

The city would be paid one-tenth of one cent for each transaction made on the devices. Sponsoring banks would collect the tax for the city.

The proposal runs contrary to Illinois' anti-branching regulation and is being proposed on the strength of home-rule power granted municipalities in Illinois under the 1970 state constitution.

If the proposal is enacted, a court fight is expected.

Overdraft Avoidance Plan Endorsed

The ABA has endorsed a Fed proposal to permit bank customers to avoid checking account overdrafts via pre-arranged transfers from their savings accounts.

Under terms of the proposal, bank depositors maintaining savings and checking accounts at the same institution would be permitted to arrange with the bank to have specified amounts of funds automatically transferred from savings to checking or to the bank itself, whenever the demand account is overdrawn or the balance falls below an agreed-upon minimum.

The Fed would require amounts transferred to be in multiples of \$100 and the bank customer would forfeit an amount at least equal to 30 days' interest on the transferred amount.

The ABA took issue with the \$100 amount, stating the figure should be flexible and should be set by individual banks based on their market experience.

The association also stated the amount of interest forfeited should be left to the discretion of the banks.

A similar proposal by the FDIC was also endorsed.

CUs Mull Credit Card Entry

The Credit Union National Association (CUNA) is preparing to flex its muscles in both the bank and S&L areas by offering competing services, such as charge cards and home mortgages.

In the charge card area, CUs can charge only 12% interest, thus, they would have to make an annual charge for a card or compute interest from date of purchase instead of date of billing, a CUNA spokesman said.

CU's answer to bank checking accounts is its "share draft system," which enables a CU member to write a draft on his account to pay a bill in exchange for forfeiting interest on the amount of the draft for one quarter.

The CUNA spokesman claims banks and thrifts are infringing on CU territory by courting individual depositors, thus, the CUs are fighting back by invading bank and S&L territory.

CofC To Make Guidelines Public?

The Comptroller of the Currency has moved to make public the guidelines used to approve new national bank charters, as well as other things.

This would be done by issuing written policy statements relating to the granting of bank charters and branches and the clearance of mergers, subsidiaries, relocations, conversions and changes in capital.

The Comptroller said the proposed policy statements should provide the banking industry and the public "with a better understanding of the bases for decisions made by this office."

The proposal was made at the recommendation of an accounting firm that has completed a study of the Comptroller's office.



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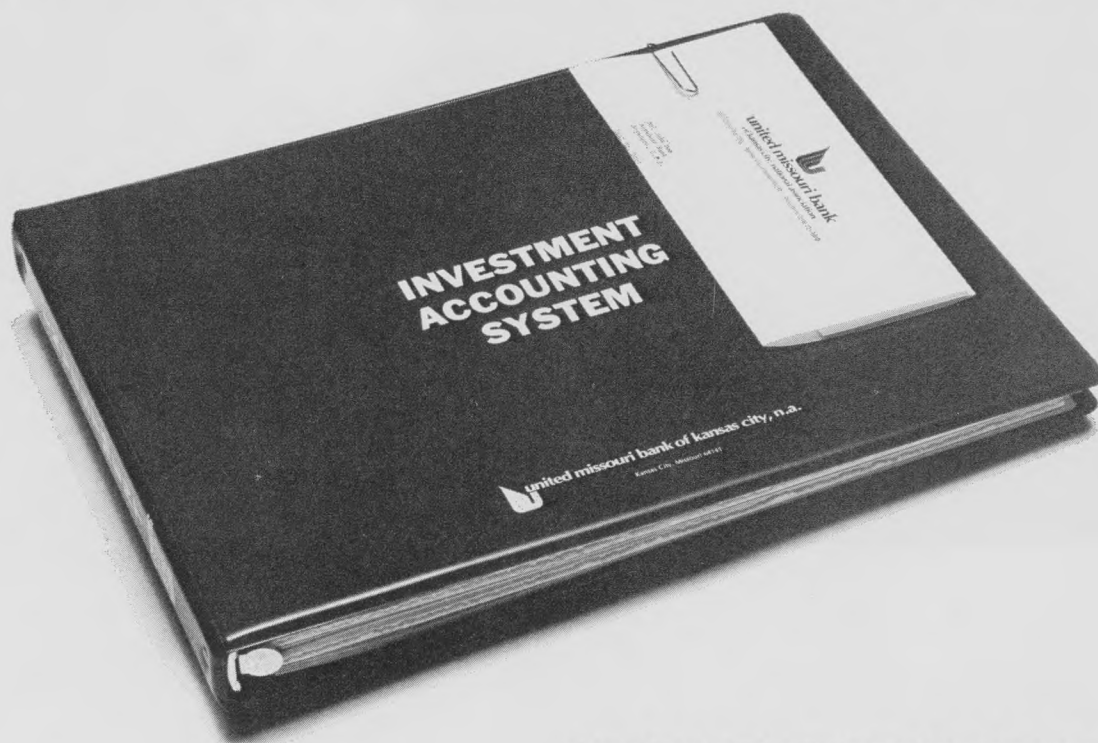
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ON THE COVER:

Proper planning is essential in building a marketing factor into a new banking facility. The planning phase for a new project, such as Mercantile Bank, St. Louis County, Mo., might include (clockwise, from upper left): a site location study and evaluation; a 15-year projected growth analysis based on historical trends; a traffic analysis to determine congestion

levels in a drive-up facility and the site's capacity for future growth; and a market area profile, a valuable tool in analyzing population characteristics, income distribution, market potential and competitive impact. The planning program for Mercantile Bank was handled by Bank Building Corp., St. Louis. The same firm subsequently designed and is presently managing the construction for the new project.

Carefully Planned 'Building Marketability' Can Benefit Bank for Many Years

A BANK'S building is one of its most prominent marketing tools. It is highly visible to the public and the impression it makes can have a marked effect on consumer acceptance of the institution.

However, the visual appearance of a building isn't the only factor to be considered by bankers contemplating a new structure—be it a main office, drive-up or branch—according to the people at Bank Building Corp., St. Louis.

"Since a bank building is a major investment and an important marketing tool, it makes sense to plan the building for maximum efficiency and profitability," says Roger W. Grimshaw, sales manager for Bank Building's Central Division. "Proper planning before

By **JIM FABIAN**
Associate Editor

the design phase can help reduce the risk of costly mistakes."

For instance, a building must be properly located or its marketing opportunity will be reduced, says Mr. Grimshaw. "No matter how attractive a building is, no matter how efficiently it is laid out, no matter where it is positioned on the site, if it is situated in an area of the community that has poor growth potential or if it is situated at an inconvenient location, these factors will tend to detract from the bank's image and performance as measured by profit contribution."

Other factors, such as ingress and

egress, determine a facility's marketability, he says. A busy intersection might appear to be an ideal location for a drive-up facility. But what if traffic makes it difficult for customers to drive on and off the site? These factors must be thoroughly investigated before architectural design and construction are attempted.

Mr. Grimshaw's views are supported by Peter J. Bruck, consultant services manager for the Central Division, and Glenn La Vine, director of architectural technology.

All three agree that good site planning and development can result in long-lasting benefits for a bank, benefits that will serve to make the bank attractive as well as convenient to customers throughout the time the building is

LEFT: Computer-aided planning materials provide valuable information on which a bank client can make decisions. Working with demographics and potential graph are Fred H. Cowen (l.), systems and procedures analyst, and Sam R. Patterson, director of information systems at Bank

Building Corp., St. Louis. RIGHT: Chuck Jost (rear), executive architect at Bank Building, reviews project materials produced with computer system with Glenn La Vine, director of architectural technology.





Walter E. Yesberg (l.), director of technical services for BBC Financial Research Associates, and Peter J. Bruck (c.), consultant services manager for Bank Building Corp., review market study results with client. Results were obtained with aid of computer technology.

utilized.

"Bank Building specializes in planning, designing and building financial institutions and we believe that pre-design analysis and planning are essential to an effective building program," Mr. Grimshaw says.

The planning phase includes several important stages, he continues.

"First, we must find out where the bank is going, what its goals are, what its special problems and opportunities are, as outlined by bank management.

"Then we must obtain facts about the particular client's bank and locale. This includes population growth projections, income levels, competition, employee work load, bank services preferences, etc.

"Then we apply what we know about electronic funds transfer and other trends, financing, proposed changes in banking regulations and the overall economic outlook.

"All of these factors, combined, provide the client with a thorough evaluation of his situation and his anticipated long-range needs."

Mr. La Vine points to his firm's use of computer technology as an aid in project planning.

"The computer makes for a good beginning," he says, "because it can process project information impersonally and lead the planner in making broad context decisions. The speed of the computer makes pre-design analysis services affordable even for smaller banks. If these projections were done manually, the cost would be prohibitive. This aid can prove to be decisive in making planning decisions."

When planning a drive-up installation, for example, Bank Building's programs can furnish information on estimated transaction times, the entire

time necessary for a customer to get through the facility, the number of tellers needed to handle the expected number of customers and even the number of potential customers that might be lost due to facility limitations. Thus, the banker can be shown the present and future number of drive-up lanes needed to provide both maximum customer service and operation efficiency.

But a computer can develop only what it has been programmed to handle, Mr. Grimshaw says. Thus, it is critical that the specialist have access to the latest demographic data, which must be obtained from various sources, including the most recent U. S. census data, updated annually. But—most important—is the information obtained through interviews with the client about his bank's customers and trade area. No one has better knowledge in this area than the banker himself, Mr. Grimshaw says.

Demographic data includes projections on population, age, sex, median income, home values and educational levels of those residing in the identified market area of a new project. These projections must be sufficiently farsighted to enable the banker to determine his market share goals for the future so expansion into new facilities can be accomplished in an orderly manner. The combined input of the banker and Bank Building provides a sound basis for realistic projections, Mr. Grimshaw says.

"It's most important for a banker to have a realistic picture of the share of the market he wants to have at the end of a given planning period," Mr. Bruck says. "Carrying the projections out with the aid of a computer enables the banker to receive all the data he needs

from which to plan departmental goals and objectives that make sense."

Bank Building's planners and designers show the banker what his building will look like through visuals, Mr. La Vine says, but the computer can quickly and economically show him how the bank will appear in relation to other buildings in the area when it is completed. This information can be extremely useful to the banker, for it, too, can have a direct bearing on the market potential of the project, Mr. Bruck says.

Because there is often a need for more in-depth research during the planning phase of a project, Bank Building has formed Financial Research Associates, a separate division providing comprehensive consulting services on an a la carte basis. Services include the study and evaluation of existing facilities, economic feasibility studies including impact on earnings and return on investment, studies to determine and evaluate financing alternatives and preparation of new charter and branch applications.

"More and more of our clients are realizing the value and, indeed, the necessity of in-depth analysis of their situation, especially as they look ahead to a long-range expansion program," Mr. Grimshaw says.

"Often, bankers come to us to seek out answers, alternatives and priority recommendations that will aid them in making business decisions," he continues. "These data are needed in advance of major architectural design considerations to assure that a project starts on the right foot. Anyone who has gone through the experience of last-minute design changes can testify to the costly delays and increased expenditures that usually result."

Often, Mr. Bruck says, projected growth for a bank dictates an expansion of the building after a period of years. Proper planning can ensure that provisions are made for future construction when the building is first constructed. For instance, the building can be framed to take additional floors, space can be allocated for automatic teller machines and conduits can be installed for future drive-up units. The vault can be placed away from the

(Continued on page 68)



Variety of Premiums Keeps Money Flowing Into Bank, S&L Vaults

By **JIM FABIAN**
Associate Editor

ALTHOUGH no one premium item is the undisputed runaway best-seller in this bicentennial year, a number of items are proving to be excellent motivators to bring new money into financial institutions.

Here's proof:

- A savings and loan netted more than \$7 million in new deposits over an eight-week period with live plants and copperware items.
- A Cincinnati bank moved 10,000 stylized tee-shirts in six days, most of which represented deposits of \$100 or more.
- A \$44-million bank in Tennessee attracted \$350,000 through the use of a series of watercolor prints by a local artist.
- \$3.8 million in installment loans resulted from a CB radio promotion in Atlanta.
- More than 10,000 cameras were moved by a Chicago bank, representing about \$3 million in deposits.

Following are the details of the various promotions.

Taking advantage of the spring planting season, Carondelet Savings, St. Louis, offered four major categories of plants, as well as 16 pieces of copperware, to its customers. Gary Strong, marketing officer, said the promotion

had to be cut short because it was bringing in too much new money!

During the eight-week promotion, 500 new accounts were opened, amounting to more than \$7 million in new funds. Plants accounted for about half of the premiums moved.

To qualify for a premium, customers were required to deposit at least \$200, after which they could purchase one plant for \$3 and buy additional plants for \$6 each. Selection could be made from potted plants, hanging plants, outdoor landscaping plants or small trees. If they chose copperware, customers could purchase items at reduced prices, which ranged from a few dollars to close to \$30 per item.

Customers choosing to deposit \$1,000 or more had the option of purchasing the first plant for \$1 and additional plants for \$5 each. Anyone depositing \$5,000 was entitled to two free plants and additional plants at \$4 each.

Mr. Strong said the plants were of substantial size, coming in 10"-14" pots and ordinarily retailing for as much as \$18.

Hanging plants were the most popular and half of the nursery stock at each of the S&L's offices consisted of hanging varieties. From 60-150 plants were kept on hand at each office (depending on the space available) and

To promote its citizens band radio premium program, First of Atlanta held a CB radio coffee break for the benefit of the Heart Association last Valentine's Day. Bank employees contacted nearby drivers via CB radio, inviting them to stop by for free refreshments and make donations to the Heart Association. Bank gave free CB radios to customers taking out installment loans and making payments through First of Atlanta personal checking accounts.

the nursery firm supplying the plants made deliveries three times a week to replenish the stock and weed out any plants that were not thriving.

At the end of the promotion, the remaining plants were liquidated at below cost to S&L employees.

Carondelet Savings sponsors three or four premium promotions annually. Mr. Strong said the popularity of plants was second only to watches and cooking ware.

Lincoln Bank, Ardmore, Okla., also took advantage of customers' green thumbs, but it didn't offer plants—it offered planters!

Customers could qualify for free hanging planters by depositing \$250 or more, depending on which of the six planters being offered was chosen. Other than a basic hanging basket, the bank offered sweet potato pots, wood tub/macrame planters in two sizes, red cedar planters and rattan baskets. The latter was the only item that could not be obtained free, but it could be purchased for \$3.95 with a deposit of \$5,000 or more.

According to E. Wilson Roberts, vice president, the six-week promotion resulted in 111 new accounts representing \$273,000, and an equal number of add-on deposits, representing almost \$200,000 more.

Mr. Roberts said the promotion was successful because it enabled the bank to acquire new money at a cost of less than 1%. At the time the promotion began, the bank's deposits stood at \$13 million. At the present time, deposits are more than \$16 million. (The planter promotion took place last summer.)

He said premiums are used from time to time to differentiate the bank in the market place and they constitute an important part of the bank's marketing program.

Timing in the use of a topical premium is all-important. Lincoln Bank offered hanging planters shortly before they had become popular enough to be stocked extensively by stores. The premium used by Central Trust, Cincinnati, has been stocked in stores for years, but not in the form the bank offered. Tee-shirts was the item, but not ordinary tee-shirts!

Central Trust's tee-shirts were im-

printed with the bank's Day and Night Bank owl symbol, silk-screened in five colors. The owl is the symbol of Central Trust's automated tellers and is now used as identification for the network of ATMs operating in Central Trust's trade area.

Imprinted tee-shirts are a current fad on the fashion scene, according to Jeanne Wimberg at Central Trust. The bank took advantage of the fad by printing up 10,000 silk-screened tee-shirts and offered them to customers at no cost if they deposited \$100 or more to a savings account. Customers and non-customers could also purchase the shirts for \$2 each. The supply was exhausted in six working days.

A variety of media was used to promote the shirts, according to Miss Wimberg. TV commercials and newspaper ads featured a local radio personality and his family, each clad in one of the shirts (which came in a full range of adults' and children's sizes).

Also, posters showing the tee-shirt-clad family were displayed in all bank offices and shirts of contrasting sizes were suspended from lobby ceilings on hangers bearing the faces of men, women and children.

A side benefit of the promotion: Central Trust has up to 10,000 advertisements for its Day and Night Bank service walking the streets of Cincinnati!

People not only rush to get clothing with a bank's logo imprinted on it, they rush to get watercolor prints of local scenes, especially if the scenes depict buildings that no longer exist.

That's the word from William R. Ewing, executive vice president at Cleveland (Tenn.) National. Not only

Appealing family of local radio personality modeled owl tee-shirts for premium promotion of Central Trust, Cincinnati. Shirts were given away to customers making \$100 deposits. 10,000 shirts were moved in six days. Owl is logo for bank's ATM service.



did the bank score well with the public in the good will department, it netted some \$350,000 in new funds in the process!

A series of 10 scenes was commissioned by the bank, several of which depicted buildings that no longer exist. The local artist creating the series drew heavily on old photos. The final scene was of Cleveland National's building, erected in 1855.

Prints of the scenes were given to customers depositing \$250 or more to existing checking or savings accounts or opening new accounts with \$500 or more. Issuance of the series of watercolor prints was staggered and the bank published large newspaper ads

illustrating each scene and announcing its distribution date as each became ready.

Five-hundred prints of each scene were printed and each print soon commanded a price of from \$50 to \$150 in the collector's market, according to Mr. Ewing. Distribution of the prints has been 100%, and the bank had to rely on its friends to scrape up a set for its own files.

The bank framed five sets of the prints and presented them to local dignitaries as well as to individuals intimately associated with the topics of the prints.

He said that the prints were best sellers. Two issues were completely distributed within two hours of their being offered, others disappeared within a few days.

Mr. Ewing said about 400 new accounts were opened during the promotion and 95% of these accounts have remained with the bank.

Another bank to take advantage of a current fad was First National, Atlanta, which distributed 760 citizen-band (CB) radios to individuals taking out \$3.81 million in installment loans.

To qualify for the radios, customers had to borrow \$3,500 or more for periods of 36 months or more and their monthly payments had to be deducted from their personal checking accounts.

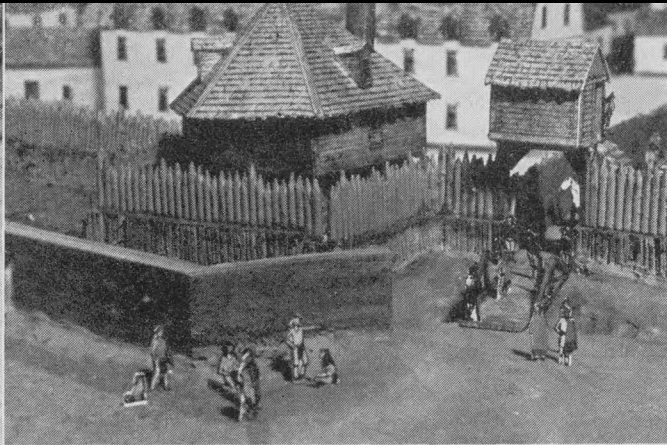
Auto leases made through the bank's Atlanta Leasing Center also qualified those taking the leases for free radios.

Due to the checking account qualification, some 200 new accounts were opened by those desiring the radios, according to Louise B. Hanlong, as-

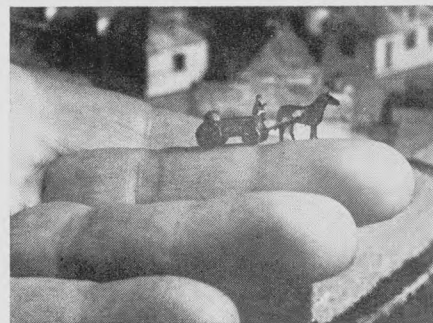
(Continued on page 68)



This watercolor print of building housing Cleveland (Tenn.) National was last in series of 10 local scenes distributed by bank to customers making deposits. Entire series was 'best-seller,' some issues of 500 prints disappearing in less than two hours! Bank building was constructed in 1855.



LEFT: This is overall view of scale model of Fort Lernoult, British stronghold in Detroit during American Revolution. Model was presented to city as gift from Detroit Bank. RIGHT: This close-up look at palisaded fort shows miniature versions of soldiers, settlers and Indians who were part of life at fort 200 years ago. Figures are only 5/16 inch high.



This horse-drawn wagon was held with tweezers and viewed through magnifying glass while it was being assembled and painted. It is only one of hundreds of objects that give life to scale model of Fort Lernoult.

A Bicentennial Project

Historic Fort Reconstructed As Scale Model and Given By Detroit Bank to City

PICK UP almost any textbook on early American history, and it probably will contain lots of information about Lexington, Concord, Bunker Hill, Valley Forge and Yorktown, historic landmarks most frequently associated with the American Revolution. Often overlooked is Detroit and the important role it played in the colonial struggle for independence. Even less well known in the "fabric" of American history is Fort Lernoult—the stronghold built in Detroit by the British in 1779 to defend against possible attacks from American troops and militia led by

Lieutenant Colonel George Rogers Clark and Colonel Daniel Brodhead.

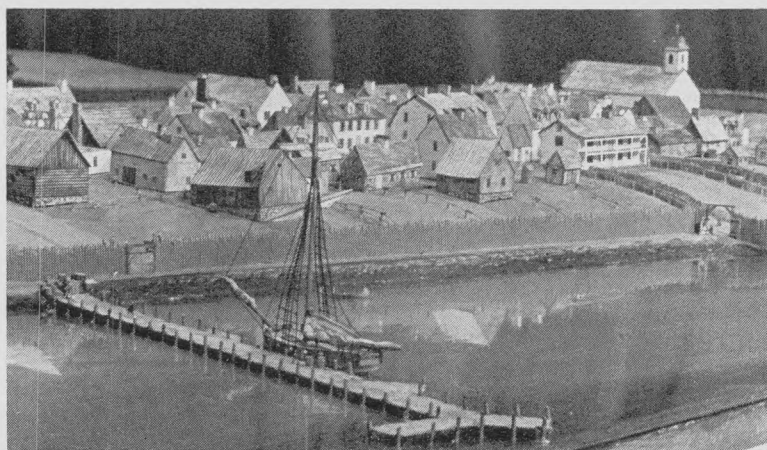
This fort, by the way, remained under British rule for 13 years after the end of the Revolutionary War—until July 11, 1796, when the American flag was raised over it for the first time. Thus, more than a decade after the cessation of hostilities, Detroit and the rest of Michigan became American.

For Detroit Bank, there's more than a passing interest in Fort Lernoult and the American Revolution. As Michigan's oldest bank, it has been linked to the state's growth and progress for

more than 125 years, but it wasn't until the spring of 1962, when construction was going on for the Detroit Bank & Trust Building, that the bank's relationship to American history was uncovered. During excavations, artifacts from a portion of the southwest bastion of Fort Lernoult were uncovered at Fort Street near Washington Boulevard. The Detroit Bank & Trust Building now stands on that location, which has been officially designated a registered historic site by the Michigan Historical Commission. This accident of history provided the opportunity to create a bicentennial program of benefit to the bank and its public for both today and the years to come.

As one of its major bicentennial projects, Detroit Bank had Fort Lernoult and the palisaded village of Detroit rebuilt . . . this time in miniature. Reconstruction of this historic fort was done for the bank by Victor Hogg of Williamston, Mich., a nationally recognized master of the art of recreating historic landmarks. This past November, the model of the fort was given to the city of Detroit at a bank-hosted civic reception.

Detroit's Fort Wayne Military Museum—where the diorama of Fort Lernoult will be displayed as part of an exhibit depicting Detroit's role in the American Revolutionary War 200 years ago—is on the national register of his-



Miniature harbor adds to charm and authenticity of scale model of Fort Lernoult and village of Detroit as they appeared in 1779.

toric sites. In addition, restoration of Fort Wayne has been designated as one of Detroit's principal bicentennial projects by the Detroit Bicentennial Commission. It's also recognized for its importance by both the National and the Michigan American Revolution Bicentennial commissions.

Explaining details of the model, Charles J. Snell, the bank's vice president of marketing and a member of the Michigan Bicentennial Commission and chairman of its Heritage Committee, pointed out: "Construction of the model was preceded by months of painstaking research to make it as authentic as possible, and Dr. Philip Ma-



Pictured at reception at which Detroit Bank presented scale model of Fort Lernoult to city of Detroit are (l. to r.): Solan Weeks, exec. dir., Detroit Historical Museum; C. Boyd Stockmeyer, ch. of bank; Joyce Garrett, exec. dir., Detroit Bicentennial Commission; Malcolm Dade, exec. asst. to Detroit Mayor Coleman Young; Ernest Browne Jr., member of Detroit's Common Council; and Rodkey Craighead, pres. of bank.

son of Wayne State University served as historical consultant to the project.

"Literally hundreds of figures 5/16-inch-high were painstakingly hand-painted to create a scene of soldiers, townspeople, Indians, tradesmen and animals at the time of the Revolution. The figures are so small that a magnifying glass had to be used while each one was being painted. The scale is 20 feet to the inch."

The cannons that defend this present-day Fort Lernoult are tiny replicas of the 12-pounders that defended Detroit so long ago. These were created from special molds, which were hand-carved for this model only. The cannons are so tiny that they had to be held by a pair of tweezers while they were being painted in appropriate "military" colors used in the past.

The craftsman or artisan who creates an exhibit or scale model "from scratch" must draw on a variety of resources to create objects resembling their reality-counterparts using materials which, in their natural state, bear no resemblance to the final product. This diorama of Fort Lernoult is filled with such innovations.

For example, a Williamston hardware store was the source of the more than 4,000 nails that were used to create the palisade and stockade of this exhibit. Robert Fleck fashioned tiny trees from bits of weeds. For ladders, Victor Hogg and his associates used nylon screen. Picket fences were constructed out of corn husks taken from one of the many nearby corn fields, and the split-rail fences were fashioned from black thread by Mrs. Hogg.

The "earthen" ramparts of the fort and the surrounding contours were mechanically shaped from a single block of polyurethane foam and then sanded to final shape by hand, a task involving hours of work. Before this work could begin, Mr. Hogg developed a contour map showing the surface topography of this portion of Detroit at the time Fort Lernoult was constructed by the British in 1779.

Each of the more than 100 buildings in the exhibit—after careful research—was drawn by hand, photographically reduced in size and then printed on cardboard. They were then cut out, assembled, painted and glued into position. A number of reference sources were used to determine final appearance and location.

A similar photographic printing process was utilized by Mr. Hogg to create the hundreds of soldiers, Indians, townspeople, tradesmen and animals that give "life" to this diorama.

However, the model is no small display identified as a gift from Detroit Bank. The overall size of the reconstructed fort is five by eight feet, and it will be a significant, permanent exhibit at the Fort Wayne Military Museum for hundreds of thousands of visitors to view in the years to come.

Evaluation of the success of a community relations project of this sort can be accomplished using a number of criteria such as: its acceptance as a major activity by state, county and city officials; the degree of importance accorded it by national, state and local bicentennial officials; media coverage given the activity and its ability to generate the interest and approval of the general public.

At the bank-hosted civic reception, when the fort was presented to the city, more than 450 guests attended. These included important state, county and local officials, members of the state and city bicentennial commissions, university historians, leading business and community leaders, along with numerous members of the media. Their attendance attested to its acceptance.

Local media treated it significantly. Detroit's two daily newspapers—The Detroit News and The Detroit Free Press—carried full-page photographic

(Continued on page 69)

Year-Long Anniversary Program At Detroit Bank Wins Award From Public Relations Group

DETROIT—Detroit Bank has been named winner of the Public Relations Society of America's (PRSA) Silver Anvil Award for the most outstanding public relations program during 1975 in the special events and observances (business) category. The announcement was made at the society's 32nd annual Silver Anvil awards banquet in Chicago.

The award was given Detroit Bank in recognition of the year-long program developed by retail marketing to celebrate the bank's 125th anniversary. The latter began in March, 1974, and ended in 1975. Its central theme was the history of Detroit banking since 1849. According to Charles J. Snell, vice president and officer in charge of retail marketing, the comprehensive program involved civic leaders, the banking community, employees, customers, shareholders, the press and public at large. A hardback 300-page history of banking activities in Detroit and Michigan was published and distributed to libraries, schools and 10,000 interested readers. In addition, receptions, exhibits, ads, special radio shows and employee publications were incorporated into the program to repeat and emphasize Detroit Bank's continuous service to its customers and community since 1849.

The PRSA's Silver Anvil awards are described as the most prestigious national honors presented to PR programs in America that demonstrate professional performance and use sound PR objectives and philosophy. In addition, they must meet the highest standards of production, presentation execution and results, as well as make an important contribution to the profession.



Accepting Public Relations Society of America's Silver Anvil Award for Detroit Bank are Charles J. Snell (r.), v.p. & officer in charge, retail marketing, and Jack E. Housman (c.), a.c. & mgr., public relations. Making presentation is Robert O. Carboni, ch. of Silver Anvil awards program and dir. of communications, Northwestern Mutual Life Insurance Co.

Name-Change Promotions Strive for Uniform Identity, Progressive Public Image

By **JIM FABIAN**, Associate Editor

PROBABLY never before in the long history of banking have financial institutions been conducting name-change promotions at the rate they have been in the last year or two.

Not long ago, 11 banks in Alabama bearing various names all assumed new and identical names (except for name of domicile)—First Alabama Bank—in one day's time.

Late last year, the largest bank in eastern Tennessee changed its well-known name (Hamilton National) to United American of Knoxville.

Early this year the names of 12 Houston-area banks were changed to incorporate the words "First City Bank," the key words of their controlling HC, First City Bancorp. of Texas.

Recently, six Illinois banks scrapped the various names they had been going under for years in favor of new monikers, all of which incorporated the words "United Bank," which is the name of the confederation to which they belong.

Naturally, customers could be expected to ask the reasons for changing the name of their bank. Bank marketing people realized this and were careful to anticipate and respond to such questions before they could be asked. They reasoned that no bank would want its customers to become confused about their relationship to a renamed institution.

Following are the events leading up to the recent name changes of an HC and an independent bank. Both programs were ambitious and costly, but are expected to result in a better sense of identity and more economical operations in the long run.

First Alabama Bancshares, an HC headquartered in Montgomery, is made up of banks scattered throughout the state. It was felt by HC management that there was a tremendous budget waste in maintaining separate identities for each affiliate. A study revealed there was no economy of scale under the system of different names for each affiliate because there was duplication

among banks in the printing of forms and stationery and in developing new services.

Member banks were advertising for their competitors, due to media overlap among the various markets. For instance, the TV commercials of City National, Tuscaloosa (an HC affiliate), were being seen in Selma where another City National (not an affiliate) operated in competition with Selma National (an HC affiliate).

To eliminate the negative factors involved with the diverse names of affiliate banks, a committee of bank presidents from all affiliates recommended that the new name "First Alabama Bank of (name of city)" be adopted for all affiliates. They realized the conversion program necessary to adopt this name would be expensive, but they also knew it would result in economies in the long run.

The name-change program was placed under the direction of James K. Boyd Jr., senior vice president, market-

ing, First National, Montgomery, the HC's lead bank. Theme for the change was "A new name for an old friend."

The program consisted of these basic elements: advertising, staff training, officer calls, publicity, bank identification signs and printing of forms and stationery.

The overall advertising strategy was to gain fast acceptance of the new name by building an image or feeling of humanness and concern, strong capability in money management and financial counseling, excitement and security and a role in the betterment of all the people in the state and for the communities in the HC's trade areas.

A two-month statewide program was formulated to utilize a coordinated campaign in TV, radio, newspaper, outdoor and magazines. Collateral materials included point-of-purchase displays, statement stuffers and specialty items.

In TV spot scheduling, the advertising agency projected a 90% reach with an average frequency of 10. A saturation of morning and evening drive times was planned for each radio station with a significant audience rating, including ethnic or cultural groups. The plan for newspapers was 70% household coverage of each metro or home country of affiliates. A 100 showing in outdoor was programmed for each market. In addition, ads were placed in bank trade publications, state and metropolitan news magazines and the state edition of *Reader's Digest*.

The month before the name change, illuminated signs for the various bank buildings began being erected with the new names covered by plastic covers imprinted with each bank's former name. News releases were prepared announcing the new name, the reason for the change and reassuring people that in every other way their bank was the same. The magnitude of the name change was heightened by listing the names of the other banks included in the original name-change program throughout the state.

On Saturday, February 1, 1975, the name change became official and the bank signs were unveiled.

An intensive program was undertaken to win acceptance of the name change among bank personnel in an attempt to make staff people enthusiastic about the new name. It was felt this enthusiasm would rub off on bank customers.

Just before the name change, every officer in each bank was given a list of major retail and commercial customers so he could call on same and personally explain the name change and answer any questions these customers might have.

Costs of the marketing program were

**First
Alabama
Bank**



**UNITED
AMERICAN
BANK**

Important part of name-change promotion is design of new logo to identify bank buildings, advertising, forms. At top is logo for First Alabama Bancshares Bank; at bottom is logo for United American Bank, Knoxville, Tenn.

borne by affiliates on a prorated basis (based on their share of usage of various media in individual markets). Total cost of the promotion was \$280,000.

Results of the effectiveness of the promotion were measured in various ways. HC officials were relieved to receive no complaints from customers who had been calling their banks by their former names for years (some affiliates are more than 100 years old).

A survey showed that general awareness of the HC's advertising in all media increased from 30% to 49% while the awareness of two major competitors in the Birmingham market (for example) decreased substantially.

Despite the fact that First Alabama's market campaign for a two-month period focused on the name change while competitors' campaigns concentrated on bank services, First Alabama reported a steady growth pattern in total deposits in both small and large affiliates.

To test the public's confidence in the newly named banks, the HC conducted a savings campaign immediately following the name change and all participating affiliates registered growth. First of Montgomery, for example, increased deposits by \$3 million.

The name change brought economic benefits in the "paper-work" area. Consolidation and elimination of forms has resulted in a drastic reduction in the number of different types of forms. Standardization of size and style of stationery, computer supplies, deposit bags, checks, etc., has resulted in decreased purchase costs.

Hamilton Bank, Knoxville, faced a different situation when considering a name change. The bank was not affiliated with any HC, but its name was confusing, since Hamilton Bancshares of Chattanooga controlled numerous banks in the state.

Since the Hamilton HC was going through a difficult period (that resulted in its bankruptcy early this year), the new executive management of Hamilton National, headed by Jake F. Butcher, wished to put to rest any thought on the part of the public that Hamilton National was a part of Hamilton Bancshares.

Thus, the name "United American Bank" was chosen and was adopted last December, coincident to the time the bank broke ground for its new 30-story regional banking center in Knoxville.

In developing the new name and designing a new logo to express it, the bank's desire was to accurately portray the company's operational philosophy, which was to be progressive and up-to-date. The former Hamilton logo was conservative, thus an entirely new look was needed.

February 1, 1976, was set as the launch date for the name-change cam-

paign. The date coincided with completion of new signage. Letters were sent to all depositors explaining the change and the reasons behind it. The letters emphasized the consumer's continued security and pointed to new and expanded services for the future.

Bank President G. Rex Moon stressed that all changes were made at the bank's end, which meant that depositors were required to do nothing. They automatically became depositors with United American. Account numbers remained the same and all items bearing the Hamilton logo would continue to be honored until replaced with items bearing the United American logo.

Prior to February 1, teaser billboards bearing the stylish UA logo appeared and on February 1 a two-page newspaper ad was published containing a personal message from Mr. Butcher to Knoxville and the surrounding area. A TV commercial featuring Mr. Butcher also appeared, with Mr. Butcher asking each bank depositor to remember that "to grow is to change, and to change often is to have grown much." He cited the 45 years of service Hamilton National had given to Knoxville residents. "That's the past," he said. "And now we are looking to the future. . . . The spirit of banking that has brought us this far will carry us into the future with United American Bank."

Costwise, the largest expenditures in the name-change program involved resigning the bank's headquarters and 16 branches. With the installation of the new "UA" signs, the bank—for the first time—had uniform signage.

Next-largest expense was the design and reprinting of paper documents, from deposit slips to letterheads. The occasion provided the bank with an opportunity to review all its printed forms. As a result, some were eliminated and some were combined to make a more efficient paper system.

According to bank officials, the tremendous amount of work involved in changing the name of the bank was well worth the effort. Within a year, the bank moved up 38 places in the tally of the nation's largest banks. First-quarter 1976 earnings were the highest on record and a 100% increase in dividends over year-earlier figures was made. New departments were developed and others expanded. But, best of all, officials state, the bank has gained a new image—one that is aggressive and forward-looking.

Space does not permit the detailing of name-change activities of numerous other financial institutions. But representatives of each one will be quick to say that much careful planning is involved and the price tag is not low; yet the long-term results are expected to be rewarding to the banks and HCs making name changes. ••

Bicentennial Christmas:

'Spirited' Bank Customers Bring Offer to Early End

Customers of Union Bank, Erie, Pa., must have had the spirits of Christmas and the bicentennial last year. Their demand for copies of the bank's premium, a book entitled *Flags of American History*, caused the promotion to be brought to an early end.

The book not only contained pictures and histories of a number of early American flags, but included a special copy of the Commodore Perry "Don't Give Up the Ship" flag in the form of an iron-on transfer. The book was priced at \$2.12, but for an additional 76 cents, one could purchase a copy of an 1876 centennial bookmark which originally was made by Thomas Stevens. No deposit was required to obtain either item.

Union Bank ordered 2,000 copies of each, and officials add that they feared they might have over-ordered. But in only three weeks—mid-November to December 4—all copies of the book had been sold!

Bank officials say they definitely would make the offer again—perhaps then the orders they received for the book and markers from New York and Ohio could be filled!

'Many Faces' Marketing Program Aids Christmas Club Solicitation

"The Many Faces of Christmas" is the title of the turn-key, fully coordinated approach to marketing Christmas clubs being distributed this year by Christmas Club a Corporation, Easton, Pa. "Many Faces" is one of several coordinated graphic programs being offered to financial institutions. It features several full-color photos of children registering delight typical of that which occurs when a Christmas gift is opened.

The program includes several components, such as floor displays; coupon books; passbooks and envelopes; application folders; shopping and Christmas card list booklets; booklets of Christmas carols; checks and envelopes; tellers badges; and program manuals.


According to officials at Christmas Club a Corporation, Christmas clubs and other holiday systematic savings programs represent a \$3 billion market in the U. S. The average Christmas club customer comes to the bank 35 times each year to make his Christmas club payments, giving bank personnel numerous occasions to solicit the customer to purchase other bank services.


Call Frank

You can trust Frank X. Henke, III to provide you with the most reliable and competent advice possible regarding trusts and estate planning.

As President of Fourth National Corporation and Executive Vice President of Fourth National Bank, Frank is well versed in every aspect of banking. Recognized as an expert in organizing and developing holding company operations, Frank is also called upon as frequent advisor on acquisitions. He has guided the trust department he heads into a position as one of the fastest growing in the Southwest.

If your customers need advice,
you know who to
trust. Call Frank.



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Call Frank, a better banker's banker.
(918) 587-9171

A Real 'Favorite':

Bank's 'Favorite Person' Card Program Hailed as Popular Consumer Service

HARTFORD (Conn.) National's multi-service "Favorite Person" card has proved to be a favorite with both the bank and consumers. Hartford National officials say it is the "single most successful consumer service ever introduced or sponsored" by the bank.

In the latter part of 1973, management of Hartford National decided to take positive action to improve the institution's recognition with the consumer. Bank officials also sought to increase Hartford National's market share. The result was the "Favorite Person" card program.

The program was developed by Kupper Advertising, Inc., Hartford, and launched by the bank in 1973. It offers four basic elements: a personal savings account, personal checking account, Master Charge account and a Check-Credit (overdraft) account. In addition to those four prerequisite services, the customer is offered other useful services, such as personalized checks, money orders, travelers' checks and notary service, free.

Initially, the program had a \$3-per-month service fee, which was dropped in early 1974. All fees paid before that date were refunded by a credit to the customers' savings accounts.

What aspects of the package are attributed with generating its appeal to consumers? The plastic identification card and establishment of guaranteed check cashing at retail businesses and supermarkets throughout the state.

The card identifies the holder as a program participant, entitling him to cash personal checks in amounts up to \$100 at any of the bank's 66 offices in Connecticut or at any of 2,500 participating retail establishments.

The card carries an account number with which the bank can capture data on individual account activity for planning and profitability analysis. In addition, the arrangement with merchant outlets helps establish precedence for future merchant-bank activities aimed at the consumer market and strengthens Hartford National's commercial relationships with the participating businesses, officials state.

The bank's agency concentrated on the desired emphasis on the individual

Bank the free way.

Now when you become a Favorite Person you get all the benefits and services you need in one complete, free package.

- Guaranteed check cashing 7 days a week, all over Connecticut.
- Unlimited checking with no minimum balance and free automated checks.
- Bounce-proof checking that lets you write loans from your own checkbook.
- Free cashier's checks and money orders.
- High rates on savings.
- Free travelers' checks.
- Free notary services.
- Free financial counseling.
- Free Favorite Person Card.
- Free automatic savings to help you save automatically.
- Your own Master Charge.
- Preferred rates on most personal investment loans.

HARTFORD NATIONAL BANK

ABOVE: Hartford (Conn.) Nat'l got excellent response with ad describing benefits of "Favorite Person" card program. Services offered include guaranteed check cashing throughout state, free cashier's checks and money orders, Master Charge, financial counseling. BELOW: Pocket calculator premium promotion at bank offered instruments to Favorite Person accounts for \$5 discount over normal savings depositors. To date, 2,500 merchants participate in program, bank has 65,000 active Favorite Person accounts.

While we add interest, you can add anything (also subtract, multiply and divide) for only \$19.95

Only \$19.95 if you're a Favorite Person (or apply for a Favorite Person Account and deposit \$250)

Need a little encouragement to save? Either open a \$250 savings account at Hartford National or deposit \$250 in an existing account. (Or open a new or substitute Automatic Savings Plan of \$10 or more per month.)

HARTFORD NATIONAL (The Favorite Person) BANK

when designing the program: the individual's wants, needs and desires, coupled with distinctive advertising, collateral, point-of-service and other promotional material. The result was a substantial impact on the target audience.

Kupper Advertising's 1974 market research survey showed that 82% of its respondents were aware of the Favorite Person program, while 89% identified the program with the bank.

Just how much business has Favorite Person meant for Hartford National? In 1974, it was found that 82% of the accounts were existent bank customers and 18% were new relationships. In the promotion's first year, the bank reports, 50,000 of the accounts were opened, representing over 125,000 retail banking relationships.

During that year, Hartford National's demand deposit accounts increased 6%, savings accounts were up 14% and Master Charge accounts rose an astounding 47%!

Since that time, the program has continued to grow. The bank reports having 65,000 active Favorite Person accounts and the result is that Hartford National is now known as the "Favorite Person Bank" throughout Connecticut.

In 1975 the program was tied to a calculator premium. With a savings deposit of \$250, a customer could purchase an electronic calculator for \$19.95, but if the customer opened or already had a Favorite Person account, the price of the premium was reduced to \$14.95. The results? During the premium offering, 25,000 of the pocket calculators were sold, 20,000 of them to Favorite Person accounts.

Advertising media for the program has been in-bank counter literature and newspaper ads.

Kupper Advertising has syndication rights for the Favorite Person program and is offering protected franchises to financial institutions outside Connecticut. The agency also offers advertising, promotional and collateral material for the program, or participating institutions may use their advertising agencies for promotional purposes. ••

Let Tom Potter move TheFourth to your neighborhood.

You'll find The Fourth National Bank showing up in hundreds of towns. But then you'd expect that from the biggest bank in the state. What you may not expect is why so many banks work with us.

It's because we have everything you'll ever need. And we make it available on a very neighborly basis—one service at a time, or everything at once.

All it takes to put the resources of The Fourth to work in your neighborhood is a call to Tom Potter. He'll deliver the kind of "next-door-neighbor" enthusiasm and big bank facilities you've been looking for.

Give Tom a call. Right now. He's in the neighborhood.

TheFourth

Fourth National Bank & Trust Co. / Wichita, Kansas / Member FDIC
316-261-4488





TV commercial for "lifestyle sweepstakes" was filmed in 112-degree heat on helicopter pad at airport near Los Angeles. Major prizes pictured include airplane, auto, sailboat, mobile home and giant \$7,500 check.

For the Bank That Has Tried Everything: A \$100,000 Sweepstakes Promotion!

SUPERLATIVES abound in connection with the "lifestyle sweepstakes" promotion conducted by Security Pacific National, Los Angeles, last fall.

To begin with, banks don't ordinarily conduct sweepstakes contests, but the people of California apparently thought it was a good idea. Between eight and nine million residents participated in an attempt to get a portion of the \$100,000 in prizes offered by the bank. The contest lasted just one month, but the weight of the entries came close to 14 tons!

Prizes offered included an airplane, a mobile home, a luxury auto, a sailboat and \$7,500 in cash. In addition, each of the bank's 497 branch offices gave away a 10-speed bicycle during week-long open house celebrations.

The sweepstakes was the largest single promotion in the bank's history and featured the most concentrated advertising campaign the bank had ever undertaken. Close to half a million dollars was allocated for multi-media advertising, promotion and point-of-sale materials.

The title "lifestyle sweepstakes" tied in with the bank's "lifestyle" theme used in its direct loan advertising. It also related to the leisure and recreation prizes offered.

"We decided to take the marketing initiative in a bold, exciting and dra-

matic way by staging a gigantic sweepstakes involving all of our offices, in an effort to boost awareness of the bank throughout the state," said Richard Schoonover, advertising director and vice president. The main objective was to generate more pedestrian traffic in

all of the bank's offices and to sell our services, he continued.

He said that it was felt the sweepstakes would create a unique image for the bank by demonstrating that "it is aggressive and on the move." The promotion also was designed to boost employee morale and to give branch personnel opportunities to meet potential new customers and to talk about direct consumer loans with both customers and non-customers.

The sweepstakes was run in conjunction with an independent judging organization. The organization selected winners at random.


A major multi-media ad campaign supported the contest. Saturation TV and radio spots throughout the bank's 29-county service area were projected to reach 97% of all adults. In addition, newspaper ads were projected to reach from 85% to 100% of all households in areas where the bank has offices.

A kit of display materials promoting the sweepstakes was displayed in each of the bank's offices. Included were an assortment of lobby posters, a cloth banner, two window banners, entry forms and a deposit box for entries.

Offices with sufficient space were encouraged to develop displays of merchandise relating to consumer direct loans.

The bank received three times the number of entries expected. • •

Newspaper ads like this one reached from 85% to 100% of households in Security Pacific's 29-county trade area in California, announcing "lifestyle sweepstakes."



**HELPING TO BUILD THIS PART
OF OUR GREAT LAND,
WE'RE WITH YOU. EVERYWHERE!**

**AMERICAN NATIONAL
BANK & TRUST COMPANY**

National Correspondent Division

Chattanooga, Tennessee 37402

Phone 1-(800) 572-7308 in Tennessee or 1-(800) 251-6266 in all adjacent states

Can Bank Go Wrong With Photo Offer? Not if Goal Is Customer Satisfaction!

WHO CAN resist a family photo portrait—especially when it's available at no cost? Almost 8,000 families in Knoxville, Tenn., couldn't, and that not only made the families happy, but it made the people at United American, Knoxville, sponsors of the event, happy.

It also surprised the bank's management, who confessed they had little idea of how popular their free photo offer would be.

The promotion certainly accomplished what bank management had requested of it—the generation of traffic through the various branches and the creation of good will among the bank's established clientele.

Contrary to most free-photo offers, United American's was for customers only. All these customers had to do to take advantage of the offer was to call the portrait desk special phone number at the bank and make an appointment for a sitting during afternoon and evening hours.

Any number of family members could assemble for a photo, but only one free photo was given to each group, regardless of the number of accounts the members of that group held at the bank. Of course, additional prints were available from the photographers, Olan Mills of Chattanooga.

The bank pressed six of its 16 branches into service as photo studios, two for each week of the promotion. Customers were asked to select the branch most convenient and appointments were taken during regular banking hours.

When the calls started pouring in, it quickly became evident that the offer would have to be extended to accommodate all requests. So two more weeks were added to the schedule and one more branch was designated as the location for taking the photos.

In addition, a special "employees only" week was added to the schedule at still another branch office.

Proofs were available after 10 days and customers were asked to return to the branch at which their photo had been taken to see the proofs. Thus, each customer was required to come to the bank twice, generating additional traffic.

The promotion was advertised with statement stuffers and in the Sunday edition of the local newspaper. The

original ad, which ran for two Sundays, explained the promotion and gave the phone number to call for appointments. An extra ad was run to announce the extension of the promotion and to give two additional phone numbers for appointments.

Additional personnel were necessary to handle the logistics of the promotion, including a full-time person to make appointments. Extra receptionists were put in the branches during the time sittings were being made. Community rooms with outside entrances were utilized as photo-taking sites whenever possible, thus minimizing the need for extra security during after-hour appointments.

A bank spokesman said many enthusiastic comments were made by customers taking advantage of the offer. "We think that the Olan Mills quality was the key element. If people are happy with their photos, they are going to be happy with us. For the most part, we think our customers sincerely appreciated the opportunity to have family portraits made, compliments of United American Bank."—*Jim Fabian*

Borman, Fed Presidents On BMA Convention Slate

Frank Borman, president and CEO, Eastern Airlines, and a panel of Federal Reserve Bank presidents are scheduled to be in the spotlight during the Bank Marketing Association's 61st annual convention. The BMA will meet at the Hotel Fontainebleau in Miami Beach October 24-27.

This year's convention theme is "How To Gain the Competitive Edge" and more than 2,500 bank marketers from around the world are expected to be in attendance.



BORMAN

Mr. Borman, former astronaut, will deliver the keynote address, "How To Compete in a Regulated Industry." The panel of Fed presidents will examine "The State of Banking Today."

Also slated for the convention are the editors comprising the Periscope Panel of *Newsweek* magazine. Their topic will be current national developments and the national election, which will take place one week after the close of the convention.

BMA officials indicate that this year's convention program is geared to updating and informing the bank marketing executive on topics such as "EFT—Competitive Impact for Today/Tomorrow," "Advertising in the '70s—the Positioning Era" and "Responsive Marketing—the Increasing Power of the Consumer."

Also scheduled are 13 workshops on a variety of topics. For example: "How To Compete Against NOW Accounts," "The President's EFTS Commission," "How To Compete With an S&L" and "EFTS Planning for the Community Banker."

Also planned are 26 "rap" sessions that will zero in on a number of current subjects.

During the convention, the BMA's 1976 Golden Coin awards will be presented and a special BMA TV network will be in operation, featuring programs of interest to convention registrants, on the hotel's television sets.

Alex W. "Pete" Hart, vice president-BankAmericard division, First National, Chicago, serves as this year's BMA convention chairman.

we've extended our family portrait offer

We've been overwhelmed by your response. We had no idea how many United American Bank customers would want to take advantage of our free 8x10 natural color family portrait.

If you didn't get to schedule an appointment to have your portrait made, don't worry. We have good news for you. We've extended our offer for two more weeks! The Olan Mills photographer will be here soon to take additional sittings in the community rooms at our Rivers Plaza Branch, at 4115 Kingston Pike. You may schedule an appointment for May 22, and May 25-26. Sittings will be between the hours of 2:00 and 6:00 p.m. on weekdays and from 10:00 a.m. until 8:00 p.m. on Saturday. We've added two new telephone lines to take care of all our calls. You may reach our Portrait Desk from 9:00 till 5:00, Monday through Friday at: 525-4434; 525-2093, or 525-2091.

If you didn't get an appointment during the first three weeks of our offer, please try again. We don't want any of our customers to miss out on this special gift from United American Bank.

UNITED AMERICAN BANK, N.A.
MEMBER FDIC
KNOXVILLE, TENNESSEE

the bank of tomorrow
with the spirit of the past.

This ad announced extension of free photo offer for customers of United American, Knoxville, Tenn. Time allotted for original phase of offer was insufficient to handle nearly 8,000 sittings before Olan Mills photographers.

Q:

CAN YOUR TRUST OPERATION AFFORD SURCHARGE LIABILITY LITIGATION?

Every bank with trust operations is exposed to litigation. Increasingly, the beneficiaries of trusts are challenging investment decisions and account servicing by trust departments.

The concept of the "prudent man" rule in trust handling is changing. It is now felt that bank trust departments will probably be required to exercise a higher degree of care beyond that of the ordinary "prudent

man". And, with the passage of the Employee Retirement Income Security Act of 1974 (ERISA), fiduciaries of pension plans, as well as personal trusts, have been exposed to new interpretations of the "prudent man" rule. The Federal standards set by ERISA define rules and conduct, but interpretations of the law will be made by the courts.

A:

WHAT SCARBOROUGH CAN HELP TO DO ABOUT IT...

The litigation of cases involved with trust handling can be expensive, even without a judgment. The answer is protection provided by Trust Operations Surcharge Liability Insurance through Scarborough.

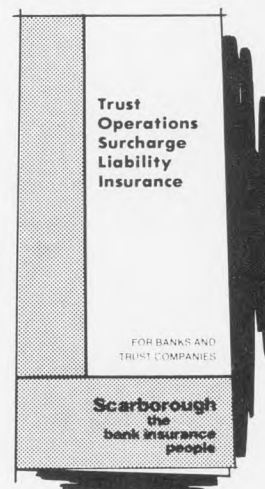
Now, this Scarborough designed policy has a specific endorsement to cover your trust department in the event of litigation resulting from the new ERISA Act.

Defense costs, judgments, expenses, and out of court settlements (with Company's consent) resulting from suits are reimbursed, excess of a deductible. Coverage is provided on a discovery basis.

Since Surcharge Liability Insurance covers your bank as a corporate entity, (unlike Directors/Officers Liability), protection is provided for the bank's capital structure from erosion, or worse, in the event of a substantial payout from litigation.

Today, self-insurance is a thing of the past.

For more information—write or call collect to Bob Marshman or Dick Morran.



Scarborough

the bank insurance people

Scarborough & Company, 222 N. Dearborn St., Chicago, Illinois 60601 Phone (312)346-6060



TRY ELKHART FIRST

SANTA thanks YOU for shopping in ELKHART

TRY ELKHART FIRST

TRY ELKHART FIRST

TRY ELKHART FIRST

TRY ELKHART FIRST

TRY ELKHART FIRST

SANTA thanks YOU for shopping in ELKHART

Whatever you're looking for,

you can find it Right here.

TRY PARIS FIRST

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

THE CITIZENS BANK

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

TRY MARIANNA FIRST

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

TRY BOULDER FIRST

WHY WE'RE SPONSORING THE

TRY ELKHART FIRST

PROGRAM

There's a shopping bonanza right here in your own backyard.

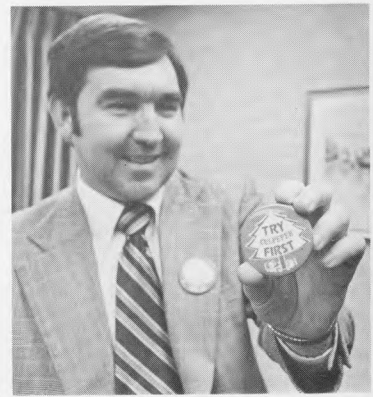
TRY PARIS FIRST

TRY ELKHART FIRST

PROMOTIONAL KIT

HOW TO MAKE YOUR SHOP AT HOME PROGRAM SUCCESSFUL

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



Burton Stacy, President
The New Bank of Culpeper

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

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

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

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

- You'll keep needed dollars at home and in your bank.
- Your bank will be a hero to local merchants, and will probably pick up new commercial accounts.
- You'll have an officer call program that works.
- You'll receive free publicity in an amount that will surprise you.

THE SECRET IS TOTAL COORDINATION

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

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

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

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

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

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

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

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

BUT DOES IT REALLY KEEP DOLLARS AT HOME?

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

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

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

In McHenry, Illinois, the McHenry State Bank reports, "We had

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

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

And you and your bank will be the hero.

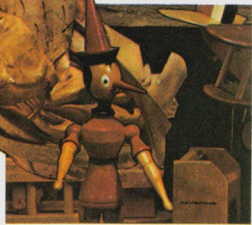
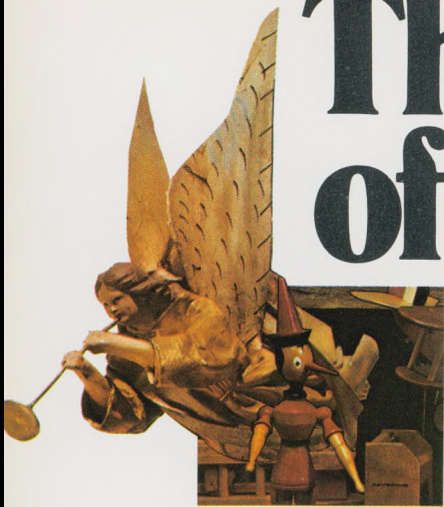
**CALL COLLECT NOW
(615) 327-0173**



MADISON AVENUE ASSOCIATES, INC.

2305 ELLISTON PLACE NASHVILLE, TENNESSEE 37203

The many faces of Christmas...



...in one spirited promotion package.

The appealing faces of happy youngsters reflect the joys of Christmas giving . . . and can make your next Christmas Club program the most successful.

"The Many Faces of Christmas," created and developed by the original Christmas Club a corporation, is a completely coordinated program with everything you need to reach and motivate all Christmas savers.

Plan now for Christmas Club full-color promotion materials. Include attention-getting floor display, window and counter displays, application folders, coupon books or passbooks, checks and envelopes, teller badges, shopping and Christmas card lists and a book of Christmas Carols — a fine gift for clubbers.

We'll also supply you with a Program Manual filled with sales promotion and merchandising ideas, including PR releases and photos and tips on how you or your agency can use "The Many Faces of Christmas" theme in your bank's advertising . . . all designed to make your program easier and more profitable.

Let Christmas Club a corporation put the spirit into your promotion package. Mail the coupon or call (800) 523-9440 toll free* today for full details on "The Many Faces of Christmas" promotion program . . . and have the most successful Christmas Club in your bank's history.

Mail to:
Christmas Club a corporation
 P. O. Box 20, Easton, Pennsylvania 18042
 Attn: Renee Brett

I want to know more about "The Many Faces of Christmas" promotion program.

Please telephone me.
 My number is: _____ Area Code _____

Please send a "package" of samples.

Name _____
 Title _____
 Financial Institution _____
 Address _____
 City _____ State _____ Zip _____

*In Pennsylvania
 call collect
 (215) 258-6101.

**christmas
 club** a corporation

Christmas Comes But Once a Year— And Planning Time Is Now Here!

MOST BUSINESSMEN and women would agree that it's good business to take a practical interest in the Yuletide Season. And bankers are no exception to the statement. They also agree that mid-summer is the time to get started with plans for the coming holiday season!

Seldom can it be said that the bank lobby does not hold its own in perpetuating the sounds, smells and friendliness so much a part of the holidays. Banks fairly exude the Christmas spirit with their huge decorated trees, wreaths, organ music, choirs, and—often—refreshments. But these things don't just happen—they are planned well in advance.

Many banks stage special promotions at holiday time that feature giveaways or premiums, from coin banks to electric train sets. But the commercial side of Christmas is usually subdued so it doesn't intrude unduly in the effort to maintain an atmosphere of peace and joy.

Most bankers realize that Christmas is the best time to court customer goodwill. This can be done easily because lobby traffic is usually higher than normal at the end of the year. Bankers find that, if their institution reflects the warm spirit of the season, much can be done to offset the cold, dehumanized impact of the age of technology that has caught financial institutions in its grasp.

Christmas is the time of year when banks can put sizable new business on their books. Astute bankers have learned how to turn their institutions into "Christmas stores" without jeopardizing their relations with local merchants.

Among the items banks can offer shoppers are gift savings accounts, specially decorated Christmas checks and new currency in imprinted gift envelopes, packaged currency ingeniously folded into Christmas tree (or other) shapes, canned money (sealed in tin), money by the pound and other novelties, limited in scope only by the imagination of the bank's staff.

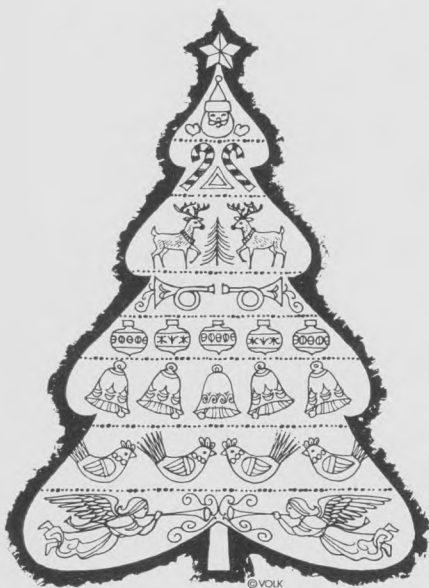
Many gift suggestions are available to financial institution customers in the form of self-liquidating premiums, such as holiday record albums, books and silverware. These and other gift suggestions are offered at bargain prices and they tend to greatly increase lobby traffic, providing a means for bank personnel to practice their gentle cross-sell approach.

Christmas, being the season for courting good will, provides opportunities for bankers to thank customers for their business over the year. These messages can be relayed via attractively printed statement stuffers, published in the newspaper or carried on radio and TV. Personal letters to special customers are said to reap the biggest dividends.

For years, one of the most successful promotions at Christmas has been Christmas club accounts. Customers like them and keep coming back to renew their accounts following a little prodding on the part of banks. Firms providing Christmas club services keep coming up with new twists on the old theme of saving for the holidays.

Christmas promotion ideas for banks are many and cover a wide field. The special "Christmas in July" section in this issue provides numerous ideas that bankers can utilize in their "good will garnering operations" this coming winter.

Remember, if you're not beginning your holiday promotion planning about now, you're flirting with the possibility of "missing the sleigh" for the 1976 season! • •



Need an Idea to Boost Christmas Clubs? Read What Other Banks Are Doing!

CHRISTMAS CLUB accounts no longer sell themselves to any great extent. Banks desiring to boost their clubs have often found that they expend more dollars on promoting the clubs than they can justify. Thus, bankers are continually on the lookout for economical ways to promote their Christmas club service.

The situation at First Galesburg (Ill.) National was somewhat typical—Christmas club accounts were declining in number each year and no amount of vigorous advertising on the part of the bank was reversing the trend.

Bank management wanted to boost its accounts, not let them diminish, so its corporate planning/marketing department, headed by H. Ray Moore, vice president, developed an employee incentive program designed to sell Christmas club accounts on a one-to-one basis.

The plan called on bank personnel to solicit customers by asking them if they had opened their new Christmas club accounts. What employees were encouraged to do was invite customers to join by means of a personally extended invitation.

Cards were printed to aid in extending invitations. Each card stated, "Have a Merry Christmas! You are invited to join our Christmas Club." Space was provided on the card for the bank employee to sign his name. On the reverse of the card was a membership application.

When a customer turned in a card upon joining, the employee whose name was on it was credited according to a sliding scale.

For instance: in the case of \$5 and \$10 weekly clubs, contact personnel received \$1 for each club opened; semi-contact personnel received \$2; and non-contact personnel received \$3.

In order to provide funds to reward personnel, the bank reduced its Christmas club advertising from \$1,100 for 1975 clubs to \$350 for 1976 clubs.

A termination date for memberships was set so the sales effort would not be drawn out. Employees were advised to stress the positive aspects of the club, such as one free payment after the customer had paid for 50 weeks.

Newspaper ad for First National, Grand Island, Neb., announced availability of bicentennial trays and bowls, which were given free to customers signing up for 1976 Christmas clubs.

National Community Bank, Maywood, N. J., sold placemats at reduced prices to customers signing up for 1976 Christmas clubs. Bank moved 5,000 mats, posted dollar increase.

When the promotion was completed, a 2.83% increase in the number of clubs was realized that resulted in an 17.3% increase in dollar deposits after the first four months of payments. Almost 50% of the bank's staff participated and \$666 was distributed to participants.

Mr. Moore said the bank was especially pleased that the three-year downturn in the number of clubs was reversed, despite the fact that 25¢ clubs had been eliminated. In addition, those who participated learned that it isn't difficult to sell bank services.

First National, Grand Island, Neb., had a Christmas club that was only holding its own as far as number of clubs went. Thus, it was looking for a way to boost the number of clubs.

It hit upon the idea of offering bicentennial bowls and trays free to those opening 1976 clubs. Both items featured montages of scenes associated with the bicentennial and were obtained through a local outlet.

The premiums had the desired effect—a 23% increase in the number of clubs was posted and 1,170 premiums were moved in six weeks.

National Community Bank, Maywood, N. J., also offered a premium to spur Christmas club accounts. The premium consisted of four reversible placemats featuring watercolor designs by John Audubon, available for \$2 a set to those signing up for Christmas clubs.

The bank reported a definite increase in the dollar amount of its 1976 clubs, due in part to the introduction of a \$25 club and the elimination of the 50¢ club. In addition, 5,000 placemats were moved, resulting in a profit for the bank.

Popcorn was the key to the success story at Berkshire County Savings Bank, Pittsfield, Mass., last year. In an attempt to make the bank more identifiable to the public, it installed an old-fashioned popcorn wagon on the premises and offered free bags of fresh popcorn every Thursday.

When it came time to solicit Christmas club accounts, the bank arranged to have ceramic tiles bearing reproductions of the popcorn wagon as incentives. Anyone opening a Christmas club account received one of the tiles. A 43% gain in accounts resulted. • •



BEAUTIFUL CURRIER & IVES TRAYS

Authentically reproduced in full color

In this generous 11½" x 14½" size and lovely oval shape, they are not only a practical serving tray but beautiful enough to (and many do) hang as decoration.

THEY CAN INCREASE YOUR CHRISTMAS CLUB MEMBERSHIP SUBSTANTIALLY

(note Bank comments below – letters we can show you)

“With the help of your trays, our Christmas Club accounts rose 54% over 1973”

“Unlike the usual candles, records, cookie-cutters, etc., your Currier & Ives trays provided a new attraction and response. Club openings increased by 30%”

“In 1973 we opened 3100 accounts. Your trays helped us exceed 7700 this year”

“We initially ordered 1500 trays. All were sold out at \$1.00 each in two days”

“Never have our customers *and* employees been so stimulated by a premium item”

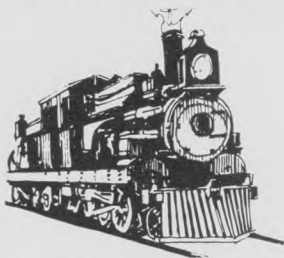
INCREASE DEPOSITS AND BANK TRAFFIC AND GET AN ADDED BONUS TOO

In use as a tray or wall decoration, neighbors and relatives see and comment on these unusual trays, your bank name mentioned endless times as a source (can't be bought in a store anywhere!), price-less goodwill advertising for your bank over many years!

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

FABCRAFT, INC., Box MC-776
Frenchtown, New Jersey 08825 – (201) 996-2113

The “Fine Arts” Tray People – beautiful exclusive trays for promotional use only



Trains Are Big at Christmas; Make Kids, Bankers Happy

WHAT IS the most effective premium a financial institution can offer its customers during the Christmas season?

An increasing number of financial people would reply that model trains are a sure thing. Trains first came into their own as financial premiums last December after at least one major train manufacturer put together a premium program following tests at selected banks.

What's so great about trains at Christmas?

Bankers who have offered model trains chorus that trains are in keeping with the traditions of Christmas. What child (and, often, his parents) doesn't want a train of his own to set up close by the family Christmas tree?

For this reason, the sets are appealing to almost everyone, since moms, dads, aunts, uncles, grandparents and older brothers and sisters all seem to have youngsters in their family who would break into smiles of joy upon receiving a model train as a Christmas gift.

If there are no children in the household, there are many frustrated males who somehow missed the joy of having a train set during their youth who would love to make up for that fact. Thus, wives and other relatives are quick to realize the value of a model train for the older males in the family.

And, of course, many bank customers simply want a train of their own, no matter what sex or age they are!

Taking advantage of the popularity of trains as financial premiums last

By **JIM FABIAN**
Associate Editor

Christmas was First National, Rock Island, Ill.

The bank used train sets to generate new savings accounts and depositors, to provide a useful and interesting premium for customers and to provide a premium that dads could use and have fun with, as opposed to premiums directed at women.

The bank used a multimedia advertising promotion, according to Charles Gross, assistant cashier. The "First of Rock Island Savings Express" was advertised with TV spots, radio commercials and newspaper ads.

Mr. Gross said the TV commercials had a far-reaching effect that hadn't been counted on—several accounts were opened by people from smaller communities outside the bank's normal trading area.

At the end of the three-month program—which offered model train sets at \$19.95, plus tax, after a \$200 deposit was made to a new or existing savings account—231 new accounts were on the books, representing more than \$130,000 in new money. But the best news was in the add-on category, where more than 700 existing customers added \$200 or more to their accounts, which totalled more than \$450,000. More than 900 train sets were moved. Retention rate for the new accounts is 88%.

Direct cost to the bank for the pro-

motion was \$900, plus \$15,000 for advertising.

Mr. Gross said the train sets were well accepted by customers. "The October-through-Christmas premium seemed to fit into the early Christmas season buying habits of our customers, whose initial purchases exceeded our expectations," he said.

In addition to the train sets, the bank offered accessories for train layouts at various prices, plus a \$25 deposit. Among the items offered were buildings, special freight cars, railroad crossing gates and tunnels. Almost 350 accessories were moved.

First National, Jackson, Miss., also offered trains last Christmas. Purpose of the promotion was to increase the bank's regular savings account base, according to R. Gray Wiggers Jr., assistant vice president.

The six-week promotion offered 100-piece train kits for \$19.95 after a \$200 deposit had been made. Sets could be billed to Master Charge accounts.

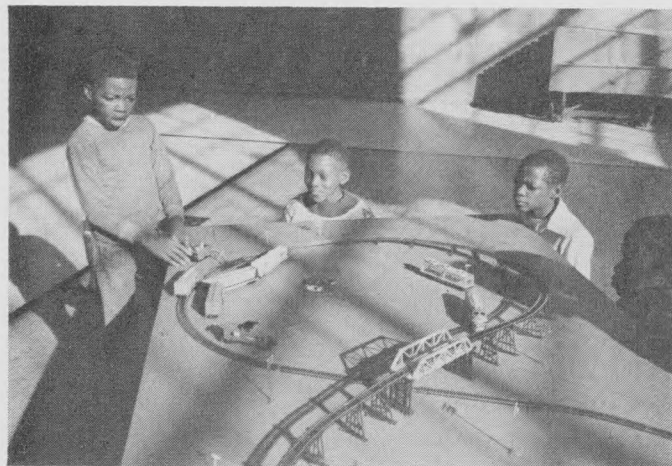
On November 17, when the promotion began, the bank had 1,500 train sets in stock. By early December, according to Mr. Wiggers, the entire stock was gone and 250 more sets were ordered, all of which were snapped up by mid-December.

The promotion was acclaimed as a "giant success" by Mr. Wiggers. "Final figures show that, compared with the same period in 1974, growth in statement savings jumped 208% and growth in Golden Savings was up 23%. Also, over the same period, the number of new savings accounts opened was 58% higher in 1975 than in 1974.

"An equally impressive figure is that the average deposit by customers obtaining trains was \$450, although only \$200 was required," Mr. Wiggers said.

He added that there were probably a lot of happy faces in Jackson on Christmas morning, but none were more appreciative than those at the Mississippi School for the Deaf. The two trains that had been set up on boards for display purposes at the bank were given to the children at the school.

Kanawha Banking & Trust, Charleston, W. Va., set ambitious goals for its train promotion last Christmas—\$1 mil-



Deaf children at school in Jackson, Miss., play with model train set donated by First Nat'l in conjunction with holiday premium promotion.

(Continued on page 59)

Balloons all over Town are talking about BANKS

they're saying things like:

- * HAPPY BIRTHDAY, AMERICA
- * WE LOVE PEOPLE
- * WE'RE A TOTAL BANK
- * WE'RE HAVING A GRAND OPENING
- * WE PAY HIGHER INTEREST
- * NO BALLOON PAYMENTS
- * WE OFFER FREE SAFE DEPOSIT BOXES
- * YOU'RE INVITED TO AN ANNIVERSARY CELEBRATION
- * DRIVE-IN TELLER SERVICE
- * 48-MONTH AUTO LOANS
- * FREE CHECKING SERVICES
- * OVER 10,000,000 IN ASSETS
- * JOIN OUR CHRISTMAS CLUB
- * FREE NOTARY SERVICE FOR OUR CUSTOMERS
- * AMERICA, WE LOVE YOU



PUT THE SPIRIT OF "76" TO YOUR PROMOTION

What's America's Biggest Birthday
Party without Balloons???

12 COMMEMORATIVE DESIGNS to
celebrate this Entire Year's Festivities

We can IMPRINT any Ad Message
on reverse side.

Each balloon comes Pre-Strung with our
exclusive SELF-SEALING VALVE.

ADVERTISING BALLOONS:

Balloon Size
9" Diameter
9" Diameter
11" Diameter
11" Diameter

Printed:
1 Side
2 Sides
1 Side
2 Sides

2,500 Cost
\$119.14/M
126.00/M
134.57/M
144.86/M

* PRICING—FINANCIAL INSTITUTIONS

* PRICES INCLUDE YOUR MESSAGE IN "BLOCK LETTERING"

5,000 Cost
\$116.07/M
123.50/M
130.93/M
139.29/M

10,000 Cost
\$105.47/M
112.93/M
120.40/M
126.93/M

Available in smaller quantities

ALL BALLOONS FEATURE CREATIVE'S SELF SEALING VALVE & 5' OF PATRIOTIC STRING

For additional information and our new fall catalog write or call collect

PREMIUMS FOR FINANCIAL INSTITUTIONS, INC.

5019 W. Belmont Avenue
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YANKEE DANDY!

a show stopper in his traditional tailor-made
wet-look vinyl costume. He is completely
portable, and stands 5'8" (when mounted on
helium cylinder).

Molded of UNBREAKABLE VINYL PLASTIC,
painted in 6 WEATHER RESISTANT colors he's
equally effective indoors or out.

Revolutionary invention makes it possible
for YANKEE DANDY to inflate, seal and string
up 1500 perfect helium balloons per hour
automatically.

YANKEE DANDY FREE with every
order of 10,000 balloons.

First of Little Rock's Ozark Christmas Was Hit in '75; Will Return This Year

By DANIEL H. CLARK
Editorial Assistant

WHEN PLANNING for its 1975 Christmas celebration, officials of First National, Little Rock, had the bicentennial uppermost in mind. A number of bicentennial-related themes were considered, but it was decided that an "American Revolution" theme wouldn't be appropriate.

The bank decided to concentrate on its own state's heritage and the "Ozark Crafts of Christmas" was the result. Not only did an Ozark Christmas fit the bill, it proved so popular with area residents that bank officials say the theme will be repeated this year!

Planning the Christmas trees for the Main Office and 13 First National branches was the first step in the celebration. Bank officials contacted the Ozark Folk Center in Mountain View and commissioned many of its craft people to create small versions of their wares to be used as ornaments for the trees. The old-fashioned ornaments included appleface and cornshuck dolls, hand-carved toy trucks, woven baskets, spice balls, bread dough items and quilted and woven pieces.

In First National's Main Office, a large cedar tree was used. Marvin



Christmas trees at all offices of First of Little Rock were focal point of bank's "Ozark Crafts of Christmas" event. Decorations were miniature versions of Arkansas crafts created for bank by representatives of Ozark Folk Center, Mountain View.

Vines, farm service director with KAAY radio in Little Rock, provided the tree, hand picking and transporting it from his farm.

To round out the event, representatives of the Ozark Folk Center came to the bank each day from December 8-23 and gave a showing of their handiwork. A different craft was featured daily and the public was invited by statement stuffers and newspaper ads outlining the day's spotlighted craft. First National's employee newspaper also acquainted the staff with details of the celebration.

As the craftsmen demonstrated their skills, the public was able to watch, ask questions and see a number of examples of the wares being produced.

Since bank officials and the Folk Center representatives wanted the Christmas celebration to be void of any hint of commercialism, no craft items were sold during demonstration hours. However, customers could make private orders with the Folk Center people and some purchases were made after demonstration periods. In addition, craftsmen handed out brochures about the activities of the Ozark Foot-



Different craft of Ozarks was spotlighted daily during 10 a.m.-2 p.m. period as part of First of Little Rock's Christmas celebration. At l., pottery demonstration fascinates group of youngsters; at c. is woman working on quilt; at r., woodcarver chips out statue of old man.

hills Craft Guild, which is headquartered in Mountain View.

Of course, an Ozark Christmas wouldn't be complete without music, so a native music program was presented in three 20-minute performances during the noon hour on December 16. Attired in costumes such as calico or

jeans, a troupe sang Christmas carols and played native instruments: banjos, dulcimers and autoharps, to name a few. Several groups of children took time off from school to attend what reportedly was the first Ozark music program by the Center's musicians to be held in Little Rock. • •



First of Little Rock's Ozark-craft Christmas couldn't have been complete without some of area's folk music. Here, representatives of Ozark Folk Center, Mountain View, perform for bank's "60 Grand" (a senior citizens' bank club) Christmas party.

Yesterday's Children:

Antique Toy Collection Recalls Holidays of Past

Citizens of Denver were able to reflect on how Christmases of the past must have been, when United Bank exhibited a collection of antique toys in its lobby during the last holiday season.

"A Children's World," as the showing was entitled, contained over 90 tin plate and cast iron toys manufactured in America between 1875 and 1950. It's part of a collection of 2,000 toys which were donated to the Smithsonian Institution by Sears, Roebuck & Co.

Many of the toys depict modes of transportation, such as a horse-drawn hose wagon, a milk wagon or a double-decker bus. There are circus toys in the collection. Some examples ring or chime as they're moved and other toys are reminiscent of personalities of their day—the "Toonerville Folks" and the "Happy Hooligans."

Another holiday activity was caroling during the noon hours in the bank's lobby by a number of Denver school choirs and by the Denver Children's Chorale.

Your Christmas "Cannery" creates Customer Appreciation



You'll be Santa's best helper when you offer to seal any small gift...or cash...in a #2 can. Each can is "wrapped" in a bright red ribbon over white or gingham paper. The unique three dimensional bow and gift card may be imprinted with your firm's name. Opened, the can converts to a year-long savings bank. Program self-liquidates. Offered on exclusive basis. Package includes all promotional materials.

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Can-O-Cash
 Advertising Concepts, Inc.
 260 North Rock Road, Suite 260
 Wichita, Kansas 67206

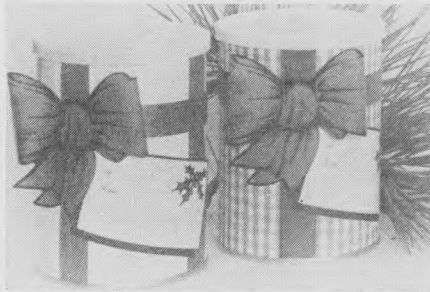
Concept of Sealing Money in Tin Cans Gains Popularity With Banks, S&Ls

MORE THAN 800 financial institutions have found that their customers enjoy giving canned goods as Christmas gifts. Not ordinary canned goods, but Can-O-Cash gifts, courtesy of participating banks and other financial institutions.

Can-O-Cash has been on the scene for five years. It was developed and is marketed by Dale Krebbs of Advertising Concepts, Wichita, Kan. Participating banks offer customers a service that enables them to place money (or other small items) into a number-two tin can and have it sealed as a gift. The cans bear colorful holiday labels that include a "To" and "From" designation, along with the name of the participating bank. The cans are sealed in front of the customer's eyes at the bank and the customer goes home with his unique Christmas gift under his arm.

Conceived as the answer to those seeking last-minute gifts at Christmas-time, the Can-O-Cash idea has been expanded to include other special occasions, such as birthdays, graduations, etc.

One of the newest aspects of the service is one in which the participating bank makes a small charge for the service and turns the money collected over to a charity during the holiday season. Thus, banks not only garner good will for offering the gift service, they receive an extra measure of publicity and good will when making the charitable donation.



New labels have been developed for this year's Can-O-Cash cans, featuring bright red ribbon over white or gingham paper. Bow is three dimensional and label includes gift card imprinted with bank's name.

Bank of Maryville, Tenn., offered Can-O-Cash for the first time last Christmas. A 50¢ charge was made per can and the proceeds (\$500) were turned over to the Maryville United Way. The donation was especially welcome, since the United Way was short of its goal at the time.

The bank ordered 1,000 cans, along with the lids and sealer that are part of a Can-O-Cash kit. Also included in the kit are plastic slotted snap-on lids that convert the opened cans into coin banks, a supply of labels imprinted with the bank's name, reproduction proofs for newspaper ads, two radio commercials, motorized lobby display materials and counter cards.

The Can-O-Cash display was set up in the lobbies of the Main Office and one of the bank's seven branches, along with the usual holiday decorations. By the time December 24 rolled around,

the bank had run out of cans.

According to Wilson Borden, senior vice president, Can-O-Cash "is one of the most unusual gift ideas I've ever come across." He said that staff members took to the concept immediately, ordering a number of cans for their own use. Customers were alerted to the service by ads on radio and in newspapers and enterprising customers came in with such things as diamond engagement rings to be sealed as gifts. One customer sent a can to Los Angeles filled with "clean east Tennessee air"!

Mr. Borden said he likes Can-O-Cash because it is uncomplicated to explain to customers, it doesn't require extra help and it provides the bank's new accounts people with a popular service. It also serves as a means to draw traffic to the bank, including customers of competing institutions.

The bank intends to repeat the service this year.

Peoples Bank, Branson, Mo., has been using Can-O-Cash since its inception, according to Lawanna Langston, marketing officer. In the past, the bank has offered the service free to customers, but will impose a 75¢-per-can fee this year.

Mrs. Langston says the service is valuable to her bank because it is available on an exclusive basis and is ideally suited for the bank's area. She says it enables the bank to offer a service that its competition can't.

Mrs. Langston points to the importance of ordering enough cans to meet anticipated demand, since last minute reordering is risky. Until last year, the bank usually had some cans left over after the holidays, but in 1975 the supply ran out prior to the holiday and it was necessary to "borrow" extra cans from another bank some distance from Branson to satisfy customer requests.

Peoples Bank thinks so highly of the concept that it has begun stocking various types of cans for year-round use.

Among the 300 banks and thrifts offering Can-O-Cash last Christmas was Peoples First National, Paducah, Ky. According to Chris Garnett, "It's been the best program we've ever had in our bank. We've had tremendous re-



Canning cash at Bank of Maryville, Tenn., is bank employee Mrs. Connie Draper. Looking on are officials of local United Way, which was recipient of proceeds of Can-O-Cash event at bank last year.

sponse and people ask for it from year to year."

Dale E. Wallace, executive vice president, National Bank, Wichita, said, "Money in a can seems to be a fun gift for everyone, and, you know, we've not had one Can-O-Cash gift brought back for exchange!"

One of the first banks to turn the proceeds from its Can-O-Cash program over to charity was Wachovia Bank, Winston-Salem, N. C. The bank donates more than \$1,500 annually to the city's Empty Stocking Fund. In addition to helping a worthy cause, the bank has received considerable recognition through local newspaper, radio and TV news stories. ••

Trains

(Continued from page 54)

lion in new deposits and 250 new account relationships.

The bank selected model trains after checking their effectiveness as financial premiums with other institutions that had used them in the past, according to John L. Wynne, marketing director.

To generate interest in the promotion, the bank set up a lobby display that featured trains that were run throughout the day. It also supplied tellers with railroad caps and bandanas and one employee came to work dressed in engineer's overalls. He became a topic of conversation throughout the city, Mr. Wynne said.

Newspaper and radio ads were the principal means of advertising the program.

Customers were required to deposit \$100 or more to a savings or CD account. The train sets were sold for \$20.95 and were said to be a \$60 value.

The ambitious goal set by the bank was more than met: Dollar volume generated by the train sets was \$1,250,000, with 318 new accounts put on the books. Retention of the new accounts has been 75% and a 7% increase in the balances of the new accounts had been posted four months after the promotion ended.

Entire cost of the promotion was about \$4,000.

Mr. Wynne said it was difficult to obtain additional train sets after the initial supply was exhausted, due to shipping delays. He also said the quality of the premium was very good and that customers were impressed with the train sets.

There's little doubt that model trains are good performers for financial institutions—especially at Christmas time!

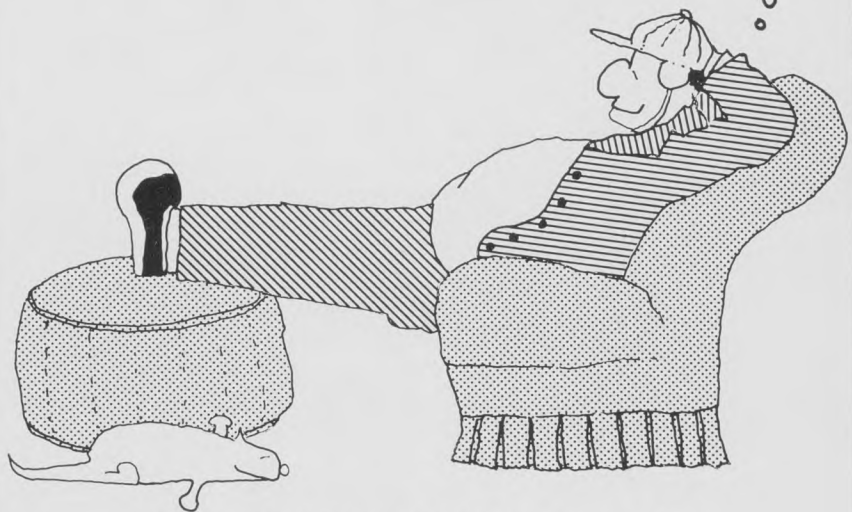
MID-CONTINENT BANKER for July, 1976

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'Try St. Joseph First' Marketing Effort Encourages People to Shop at Home

By **JIM FABIAN**
Associate Editor

ALMOST EVERY community can benefit from efforts to convince shoppers to spend their money locally. And, as the community benefits, so does its banking establishment.

But how can shoppers be encouraged to "keep their money at home," rather than scampering off to the big city—or even the next town—to spend it?

Ask Henry Lammers, vice president in the marketing department at First Midwest Bancorp., St. Joseph, Mo. He'll tell you how the "Try St. Joseph First" promotion his HC started last year helped stem the tide of shoppers who were increasingly forsaking St. Joe for the shopping centers of nearby Kansas City.

The "Try St. Joseph First" program is described by Mr. Lammers as a marketing effort to encourage St. Joseph residents to do their shopping at home, particularly during the Christmas season.

The program includes distribution of packets of material to be used by merchants and store personnel. Included are red and green buttons to be worn by store clerks that bear the message "Try St. Joseph First," and window posters, counter cards and door stickers carrying the same slogan. In addition, the three banks sponsoring the program—First National, First Trust and First Stock Yards—were distribution centers for free plastic shopping bags that also bore the "Try St. Joseph First" slogan. The St. Joseph-based HC also sponsored the same program through its affiliate, Home Bank, for merchants in Savannah, Mo.

According to Mr. Lammers, "Hometown shopping benefits all of us. It creates jobs. It improves the standard of living and it makes possible a wider selection of merchandise in our local stores.

"The First Banks organization is backing our merchants at Christmas and hopes that all St. Joseph residents will 'Try St. Joseph First' for their holiday shopping because, in all probability, what they're looking for can be found right here in town."

Mr. Lammers cites the benefits of shopping at home to keep dollars in the local economy and encourage the growth and development of new stores and shopping centers.

The program was dependent on

merchant cooperation. To generate merchant interest, Mr. Lammers conducted a series of four breakfast meetings to explain the concept. Merchants were told how the free program would boost their sales volume. A total of 150 businessmen gave their support to the program last year and most rated it well and asked that it be repeated this coming Christmas season.

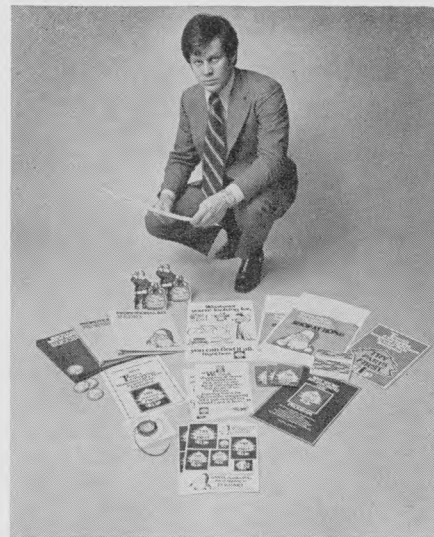
The banks advertised the program extensively, utilizing colorful newspaper ads that announced "There's a shopping bonanza right here in your own backyard."

Ad copy stressed the benefits of hometown shopping, how it creates new jobs, improves the standard of living and makes for a wider selection of merchandise in local shops.

Following last year's initial program, Mr. Lammers made an assessment of its effectiveness. The result will be an earlier start this year so the program can be launched by Thanksgiving; the involvement of additional merchants and, in turn, more exposure of the promotional materials to shoppers; and the use of outdoor advertising and TV commercials to spread the word of the program.

The "Try (name of town) First" program was developed and is marketed by Madison Avenue Associates, Nashville. Its use has not been limited to St. Joe.

Other banks making use of the program include Bank of Gainesville, Mo.;



Philip M. Pfeffer, v.p., Madison Avenue Assoc., Nashville, displays promotional materials for shop-at-home promotion.

Winchester (Ky.) Bank; Eufaula (Ala.) Bank; McHenry (Ill.) State; Jackson County Bank, Seymour, Ind.; Scott County State, Scottsburg, Ind.; Butler (Mo.) State; and First State, Rolla, Mo.

Bankers have reported that the program has resulted in as much as a 90% increase in local holiday sales, that merchants tend to work closely with each other when they are participating in the program and that the use of the program often serves as an incentive for organizations to sponsor tie-in events, such as parades, contests, etc.

Add to that the accolades the sponsoring bank is likely to receive for its efforts in boosting local sales, and you have some pretty good reasons for encouraging people to "Try (name of city) First!" ••



Portion of Christmas parade float sponsored by Citizens Central Bank, Murfreesboro, Tenn., promoting "Try Rutherford County First" shop-at-home theme. Promotion was credited with \$3.8 million increase in local holiday sales in 1975.

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"Results Through People." July 7-8. Covers management functions and different management styles, with emphasis placed on delegation and motivation.

"Teaching You to Train Others." August 18-20. A special "how to" seminar for employees assigned to training functions.

"Teller Training." August 9-13. Deals with the mechanical duties of tellers on a daily basis, as well as the establishment and maintenance of good customer relations.



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MID-CONTINENT BANKER for July, 1976

How Banks Celebrate Christmas

A potpourri of ideas adaptable to most banks

Many Facets:

Bank's Holiday Celebration Takes Form in Many Ways

Christmas time at National Bank of Commerce, Memphis, is a multifaceted experience which includes choral groups, sing-alongs, an employee dinner and, of course, the traditional Christmas tree.

Last year, the Main Office lobby rang with the sounds of choral groups from area high schools. Programs ranged from the traditional carols to spirituals during the lunch hour. Also on hand was Deborah Card of the personnel department, who played organ music during the first part of those programs.

The bank also cosponsored a sing-along, another annual event, with Memphis' Area Chamber of Commerce and Recreation Department. The sing-along was held in the Commerce Square Plaza last December 18 and Deborah Card played organ music in the bank lobby prior to the event. On hand to participate were local dignitaries such as Mayor Wyeth Chandler, Wayne W. Pyeatt, bank chairman, a local radio station's public service director and others.

In NBC's Tower Plaza every year a Christmas tree, nearly two-stories tall, is constructed—it's an artificial one—and decorated. Red poinsettias are placed in lobby planters and on credenzas. Two large wreaths are hung in the tree's vicinity and the Plaza's ficus trees are decorated with miniature white lights.

A highlight of the seasonal festivities is the annual employees' dinner, which is held in the bank lobby. A sit-down dinner is served and Santa appears, giving away humorous "presents" such as bloomers, then the tables are cleared away for dancing into the "wee" hours.

In St. Louis:

'How-To' Series Is Used To Attract New Customers

In its quest for new customers for its affiliate banks, Mark Twain Bancshares, Inc., St. Louis, ran a "How-To" series and invited area residents to attend each session at the various bank

offices. At each session's end, bank officers would mingle with the crowd and solicit accounts.

Last Christmas season, the series focused on how to bake holiday breads. Three sessions were held during De-



As evidenced by good attendance, "How-To" series of Mark Twain Bancshares, Inc., St. Louis, was popular. Christmas-season sessions demonstrated techniques, recipes for baking holiday breads. Bank officers solicited accounts after end of each session.

It's a 'Man-Bites-Dog' Story

NASHVILLE—Someone once said, "A dog biting a man isn't news. When man bites dog—that's news!"

Well, here's just such a story. Angel is a silver-gray French poodle owned by David "Skull" Schulman. Angel, for the past 15 of her 16 years, has had a Christmas club account at First American National.

Last year when Angel appeared at the bank to pick up her \$500 Christmas check, a newspaper photographer was there and took the accompanying picture of her, along with Mr. Schulman and a bank teller, as Angel "signed" for the money.



The results of the photo, which the next day made the front page of the evening paper, were 42 proposals of marriage from dogs throughout middle Tennessee (fortune hunters, no doubt), two calls from the Avon lady, inquiries from stock and bond brokers and real estate salesmen and an offer to invest in an Alabama oil well.

How is Angel handling all that fame? "She's become so temperamental that she now wants an unlisted phone number," Mr. Schulman said, noting that the canine knows what to do with a dollar: "After she shops for my Christmas gift, she deposits the remainder of her Christmas savings in her regular savings account. And her balance is \$5,000!"

ember and a representative of the Missouri University Extension Center was on hand to show basic techniques and recipes.

Bank officers have found the series to be extraordinarily productive. At least 80% of the audiences for each session reportedly was non-customer and many, before being asked for their business, told the bank officer of their appreciation for the series and that they would like to convert some accounts to the bank.

Although attendance for the first sessions wasn't high—statement stuffers and newspaper ads served as invitations—most news of the promotion was by word-of-mouth, which caused a snowball effect in attendance as the series progressed.

Other topics covered by the series—there were 20 in all—included planting a vegetable garden, refinishing furniture and packing luggage for travel. Sessions that proved most popular were those in which the speaker actually worked with materials or showed, step-by-step, how to accomplish a task, rather than merely delivering a speech.

HC officials note that particular interests of the bank's surrounding community should be considered when planning such a program. Are there any popular sports? Are crafts popular? Which crafts are most popular? The more time spent on answers to these questions, the better will be the program, Mark Twain Bancshares officials say.

THESE GUYS WON'T LEAVE WELL ENOUGH ALONE.



Joe Blank, Mike Miller and Ron Deal. It seems they have a couple of key phrases that work consistently well. For us, and our correspondent banking friends.

They go like this: What if? Why don't we? Why not try this? (and) I wonder why nobody else thought of that?

We didn't get to be the largest bank in the state by offering you the same tired solutions over and over again. We keep it loose. Because every bank, and every banking problem, are

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MID-CONTINENT BANKER for July, 1976

Free With Deposit:

Familiar Chicago Scenes Decorate Collector's Plates

The 85-foot-tall lighted Christmas tree in the Civic Center Plaza is a scene that is familiar to many Chicagoans and is one of two illustrations that appeared on the 1975 edition of Continental Illinois National's collector plates.



The plates, which are offered free at Christmas time to those making \$300 deposits, also feature a view down State Street in the Loop. The depictions were painted by the nationally known artist, Franklin McMahon.

Last year was the fourth time the bank offered the McMahon plates as year-end savings-account premiums. The previous issues, now out of stock, were of the John Hancock Building, the Wrigley Building, the Water Tower on North Michigan Avenue, Belmont Harbor, a balloon man in Lincoln Park and a snow scene.

Bank's Present Is Free Portrait

FERGUSON, MO.—As a "thank-you" to its customers, United Missouri Bank of Ferguson offered free full-color photographic portraits as Christmas gifts last year.

Customers—both long-time and new—merely had to phone the bank for a reservation and 30 days after the sitting, the portrait was finished. Sittings were held at the bank's two locations.

The photos were taken by Chromalloy Photographic Industries of St. Louis. Each customer was entitled to one eight-by-10-inch portrait, while additional copies could be purchased.

'Nutcracker':

Bank Sponsors Ballet; Is Tchaikovsky Adaptation

European-American Bank, New York City, scored a big hit with "The Nutcracker Ballet," which it sponsored last December 26-30.

The bank sold tickets at all its offices for the adaptation of the Tchaikovsky musical. Prices were \$3-4 per ticket. Performing the ballet was the Eglesky Ballet Co. of Massapequa.

Adding to the interest in the performance were six members of the cast who were residents of the bank's area.

The ballet tells the story of Clara, a young girl, who receives a nutcracker on Christmas eve. She dreams of the gift throughout the night, imagining that it turns into a young prince who escorts her to the make-believe Kingdom of Sweets.

In Baton Rouge:

'Silver Christmas' Offer Uses Goblets as Premiums

Silver goblets proved to be a popular item as premiums during a Christmas-season promotion in Baton Rouge. Fidelity National took in \$6.5 million in new deposits during its "a free start on a silver Christmas" event.

Bank officials say the goblets, which were made by Salem China Co., were "of excellent quality and their acceptance by customers was outstanding."

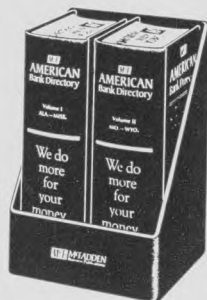
Customers who deposited \$25 in a savings account received a champagne/sherbet goblet free. For an additional \$25 deposit, they could purchase either a water, cordial, wine or champagne/sherbet goblet for prices ranging from \$3.50 to \$4.75.

Why use goblets as premiums? According to a bank spokesman, the South always has been a good area for silver promotions. It was felt that goblets would appeal to the entire customer base of the bank, that the promotion could be run long enough to encourage repeat deposits and that the goblets were low in price yet high in quality. And Fidelity National wanted to run a self-liquidating premium promotion.

An initial advertisement offered customers the opportunity to get "a free start on a silver Christmas" and told readers how they could begin and complete as many sets as they wished. All they had to do was make qualifying deposits.

Was the promotion a success in the long run? One year after its end, 83% of the new accounts still were active and most showed considerable increases in deposits, an official said.

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Holiday Drinks 'On the House'



About 2,000 St. Louisans dropped by the "Merry Dairy Drink Counter" that was open for two days prior to Christmas at Mercantile Trust. Free cups of eggnog were provided by the St. Louis District Dairy Council in the bank's main lobby during the 11 a.m. to 2 p.m. period and visitors received leaflets containing holiday recipes. Bank officials say 50 gallons of eggnog were consumed during the two-day event.

A 'Different' Loan:

Santa Claus Visits Bank, Borrows for New Sleigh

The first time in 20 years that a downtown Fort Worth bank opened its doors for Saturday business hours proved to fit the schedule of one famous person perfectly. When Continental National opened its mini-bank last November 29, Santa Claus showed up to ask for a loan.

As the interested crowd drew closer, Mr. Claus explained that he needed to replace his old sleigh but hadn't found the time during weekdays to arrange the financing.

Wes Clements, the mini-bank's manager, handled the transaction for Santa's new model, which came with a red exterior and chrome railing and runners, deluxe padded bench seat and fold-down rear storage compartment. Santa's new sleigh even had a fully instrumented dash with a special Christmas-music tape deck.

The sleigh's new owner said the EPA, FEA and FTC gave the new vehicle full approval: He planned to retain the time-proven nine-reindeer power plant and bell mounted reins, adding that the sleigh came with a 12-year, no-mileage-limit warranty.

At press time, no information was available on the terms or length of time on the loan. "All I can tell you," said Mr. Clements, "is that Mr. Claus is married, lives in the North and claims 16,237 dependents, all elves."

Singing, Presents:

Bank Entertains Children At Its Annual Holiday Party

Youngsters from three San Antonio children's homes were able to experience the joy of Christmas last year when Frost National hosted them at its 10th annual children's Christmas party.

Location for the event was the bank's cafeteria. The youngsters received refreshments and were entertained by the Frost Bank choir.

The party's highlight was a visit by Santa Claus, who handed out toys to the visiting children. The gifts were prepared by Frost National staff members as part of the bank's annual "Dress-a-Doll, Build-a-Model" contest.

Each year, the dolls and model trucks are dressed or decorated by staffers and displayed in the bank lobby for three weeks prior to the party. Representatives of the local news media judge the dolls and trucks on appearance and originality and cash prizes are given to the creators of the winning entries.

In Branson, Mo.:

Show of Christmas Spirit Is Made With Decor, Food

An annual holiday tradition of Peoples Bank, Branson, Mo., is to decorate the lobby and exterior by the first Sunday of December for the town's Annual Adoration Scene Christmas Parade.

The week before Christmas each year, a long table is placed in the lobby and heaped with refreshments for customers. Last year, a 30-pound wheel of cheese was cut in a doughnut shape,

with the middle cubed and arranged ornately. To complement the cheese, a tray of crackers was provided.

Since Branson is minutes from the School of the Ozarks, where "some of the best fruitcakes in the world are baked," Peoples Bank also had fresh fruitcakes on silver trays. Coffee and chilled cider completed the menu.

To round out the decor, women employees wore long skirts and antirrhinum corsages, while the men sported Christmas-greenery boutonnières, something that not only created customer interest, but served to increase staff morale, a bank official reports.

We are pleased to announce recent elections to the Board of Directors

L.J. Weigle

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Corporate Secretary, Exxon Co., USA, Retired

Richard J. Green

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Secretary and Treasurer

Lester R. Moore, Jr.

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Bio-degradable:

Recyclable Materials Used To Decorate Bank's Trees

About 9,000 students from schools across Utah participated in the decorating of 40 Christmas trees in the lobbies of Zions First National banks throughout the state last year. The bank is headquartered in Salt Lake City.



Doris Taggart, a.v.p. & PR off., Zions First Nat'l, Salt Lake City, shows off one of 40 of bank's Christmas trees which were decorated with recycled materials by 9,000 elementary-school students from across state. Cash rewards went to decorators for job.

What was unusual wasn't the fact that the students were rewarded in cash for their hand-made decorations or for the job of decorating the trees, rather than all the decorations were of recycled materials. Egg cartons, paper cups, tuna and soda cans, cottage cheese container lids and more were used to beautify the trees.

Students from grades three to six worked on the project for two months prior to the actual decorating ceremonies. When the time came, 12-15 delegates from each school were sent to do the decorating. The average tree accommodated 200-300 ornaments, bringing each school involved about \$50 to \$60, which was used to buy needed materials for the schools, aid needy families, etc.

One school bought a parachute for its gym. The students claim it's better than jumping on a trampoline!

Monogrammed Glassware Premiums Offered by Christmas Club

A year-round deposit acquisition program for financial institutions was introduced recently by Christmas Club a Corporation that is said to feature unique benefits for financial institutions and premiums for their customers.

The premium is monogrammed glassware in four-piece settings. The items are obtained by use of certificates given by the institutions and sent by customers directly to the supplier, with de-

Local Choirs Sing at Bank

A tradition for the past few years at Palatine (Ill.) National has been performances in the lobby by outstanding area choral groups during the Christmas season.

Last year, 12 different groups appeared during the two-day songfest and the public was invited.

livery by mail. This system eliminates the need for the institution to inventory glassware.

Elements of the promotion include point-of-purchase displays, instructional employee manuals, newspaper glossies, radio commercials, direct mail pieces and in-bank materials, such as teller badges and cards.

The program is self-liquidating and is offered on a guarantee sale basis.

Event With a Cause:

'Dress-A-Doll' Contest Adds Cheer to Christmas

About 100 needy children received dolls for Christmas last year as a result of the Dress-A-Doll contest held by Community Bank of Homewood-Flossmoor, Homewood, Ill.

The bank provided dolls free to anyone who wanted to design and sew a costume for one. The dolls were returned to the bank, where they were displayed in the lobby and judged by a panel of local people.

Prizes were awarded in the following categories: fancy dress, nationality costume, character, knit and crochet, sensible dress, special class and a bi-centennial category. Dolls in the latter category were entered in national competition.

Each contestant received a free photo of her doll and costume. The dolls were turned over to local charitable organizations for distribution to needy families.

Coin Banks Appeal to Youngsters



These elfin coin banks are marketed by Money in the Bank, Hialeah, Fla., and can serve as cheerful reminders to children to save for a happy holiday. The banks are nontoxic and made in the U. S. Besides these two, Money in the Bank has a line of toy-like coin banks for other occasions.

Skating Santa Greet's Autos



Santa Claus is an innovative old soul, and proved to be so last Christmas season when an ice storm swept through Tulsa. He hauled out his roller skates to keep a date at Boulderbank's drive-up: While the bank's walk-up customers sipped eggnog and munched cookies, Santa skimmed among waiting cars and distributed goodies to drive-up patrons. Boulderbank officials say the highly successful promotion, which was held for three days, probably was a first for Tulsa and began a tradition at the bank.

Ho-Ho-Ho!

Bank Employees' Club Brings Santa to Youngsters

Santa was able to make two special stops in Dallas last Christmas, thanks to the employees of Dallas National.

Each year the bank's Employees Club hosts a special Christmas party, complete with Santa, gifts, musical entertainment and trimmings. Last December 18, 21 youngsters were transported to the bank lobby, where each child received toys and practical gifts, such as clothing. That group of kids was sponsored by the Pleasant Grove Salvation Army.

The next day, Santa visited youngsters at T. C. Hassell Elementary School. Santa visited each classroom, helping deliver apples, oranges and candy-cane pens. Many of the tots told Santa their last-minute Christmas wishes and promised to be good. Some even stuffed letters into Santa's hands.

Dallas National adopted the public school through the D.I.S.D. Adopt-A-School program early in 1975. Weekly, 10 or more bank employees leave their jobs and spend two hours volunteer time helping the young students with everything from Spanish to math.

Christmas Art:

HC Sponsors Art Contest For Employees, Children

Heritage Bancorp., Chicago, has an annual event that involves employees and families of all its client banks. It holds a Christmas art contest for children ages five and older.

Prizes last year varied from category to category—some received \$10 or \$15 gift certificates for Sears, Roebuck or, for the older entrants, the awards were dinners and theater tickets.

New Coupon Books Offered For Christmas Clubbers

Rand McNally & Co. has announced a new coupon book for manual and on-line Christmas club customers. The new book updates the manual style coupon system in use since the mid-1930s.

Featuring a two-coupons-to-a-page concept, the coupon book becomes longer, but thinner, with the ultimate coupon approximately the same size as the older variety. The new books are compatible with old books and can be used interchangeably.

The new coupon design includes a preprinted due date that appears under a captioned heading of "week due." The preprinted date schedule on paper jacket or inside front cover can be retained or dropped as wished or plastic jackets can be used so the colorful cover designs can be seen.

The two-to-a-page concept is said to encourage multiple payments and saves time in handling, since a teller can handle one piece of paper for two payments.



New coupon book by Rand McNally for its Christmas clubs features two-to-a-page coupons, colorful covers.

Balloon-Inflating Machine Makes Friends for Banks

Financial institutions have been garnering good will for themselves during this bicentennial year by arranging to loan automated balloon inflator machines in the form of manikins to civic organizations staging celebrations.

The manikins are equipped with space for tanks of helium. By placing uninflated balloons on the mouthpiece of the manikin and setting a dial, the machine automatically inflates up to 1,500 balloons per hour.

The manikins stand almost six feet tall and are garbed in colorful painted outfits. One design features an American flag motif.

The manikins and balloons are available from Premiums for Financial Institutions, Chicago.

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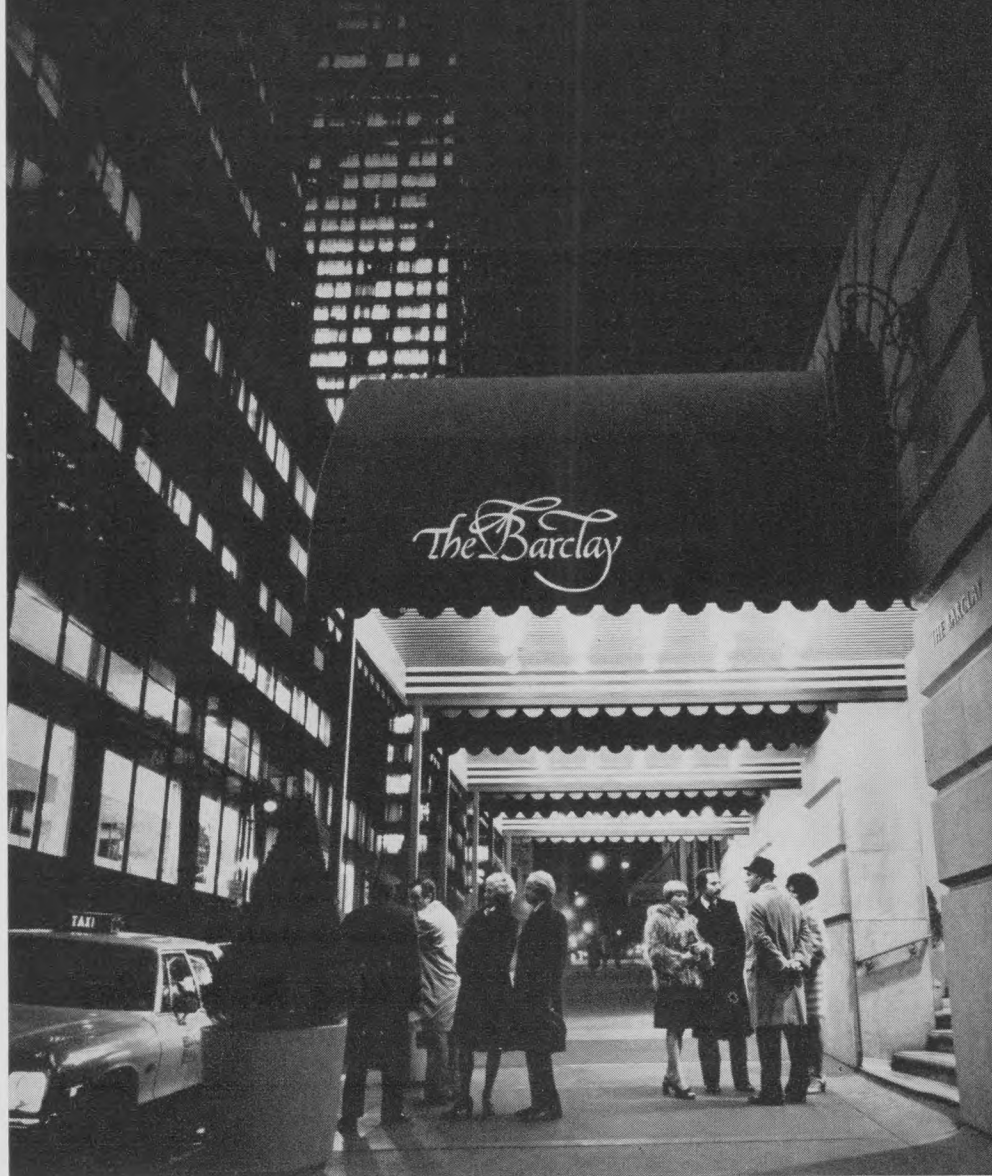
But sometimes New York can get to be too much of a good thing.

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The Barclay

When enough New York's enough.

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Multimillion-Dollar Expansion Program Completed by NBC of San Antonio

COMPLETION of its multimillion-dollar expansion project was celebrated recently by National Bank of Commerce, San Antonio, with a grand opening attended by city officials, dignitaries and friends of the bank.

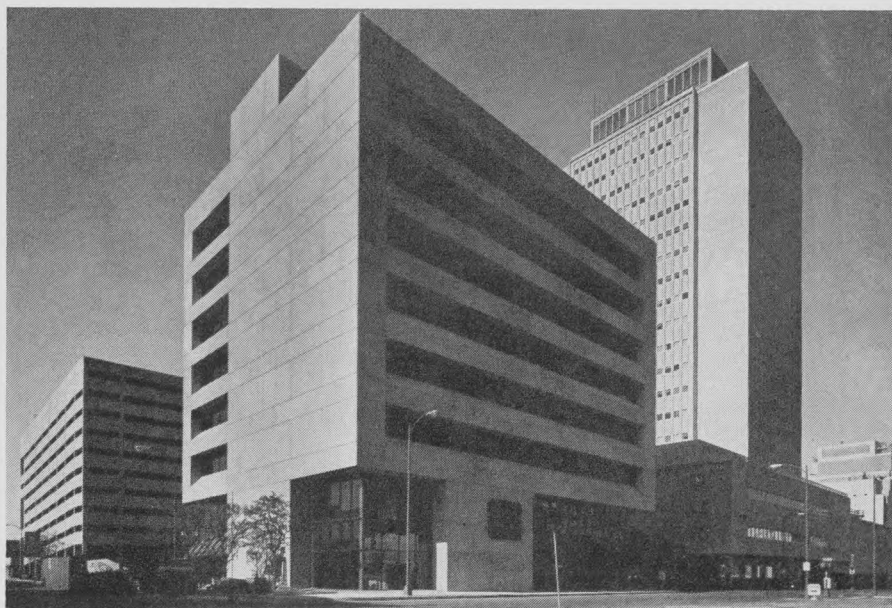
Included on the program were presentations by the Central Catholic High School Stage Band, a strolling mariachi group, and the Freedom Folk singers, a patriotic folk group made up of San Antonio high school students. Hostesses provided guided tours of the new NBC Center following a brief audio/visual feature on the center in the Commerce Room. The latter, available for use by civic groups, is surrounded by trees and other greenery, and its auditorium is equipped for audio/visual presentations.

have trees, plants and a fountain.

The project has given NBC nine TV banking stations in addition to six previously existing personal-contact drive-up stations. A commercial customers' drive-up and walk-up teller and armored car service are located on the parking structure's ground level.

The TV stations allow the teller to be located on the basement level of the motor bank, and the teller and customer see and talk with each other on a TV screen located at each banking station. Transactions are handled through pneumatic tubes.

As part of the opening festivities, NBC distributed 38,000 American antenna flags and window decal flags to those going through the new drive-up facilities.



New eight-story office building (foreground) and 10-level parking structure (l.) of Nat'l Bank of Commerce, San Antonio, are connected to NBC Tower (r.) by landscaped plaza.

The NBC Center is a three-city-block complex linked by landscaped underground walkways to form a banking/office building/parking network. The new eight-story office building is located between Soledad and Main, directly west of the NBC Tower, which continues to be the center's major component. The new 10-level parking structure is located just north of the new office building.

The office building's design emphasizes open space and landscaping. A plaza forms the focal point between the new structures and the original bank building. The four banking stations on the plaza are covered by a "space frame," and the entire area will

Building 'Marketability'

(Continued from page 34)

center of the building to facilitate expansion and remodeling.

Or, ample space for future expansion can be constructed initially and the bank can lease portions of the building to tenants, staggering lease expirations so they coincide with a timetable consistent with the estimated space needs of the bank. Bank Building can determine tenant potential and project lease rates for the banker, Mr.

Bruck says.

Mr. Grimshaw points out that many construction firms can build a bank, but few can provide a single source of responsibility for consulting, planning, designing, constructing, equipping and furnishing financial institutions—all of which are provided by Bank Building.

Proper site selection, development and utilization are bywords at Bank Building, Mr. Grimshaw says. After these essentials are in hand, a project is ready for planning and design. When all the components of a building project are accomplished in proper sequence, the finished product can serve as a marketing asset for the bank for many years. ••

Variety of Premiums

(Continued from page 36)

sistant director of public relations at First of Atlanta.

To promote the program, the bank sponsored a "good buddy" contest on a local radio station, with CB radios going to the four top winners. Contestants were asked to write to the station to nominate someone who had been a good buddy (a term made popular by CB radio fans) to them or others. The people nominated won the prizes, not those who did the nominating. About 200 letters were received, each one testifying to someone who had gone out of his way to help someone. Thus, the bank built an extra measure of good will into its premium promotion.

Continental Illinois National, Chicago, is a long way from Atlanta, but it scored recently with a premium promotion featuring an item many people wanted. More than 10,000 cameras were moved to customers depositing \$300 or more into their savings accounts during a six-week period early this year.

The Polaroid "Clincher" cameras were not given away, but were sold for about \$10. Their retail value was estimated to be \$25.

Depositors at the bank's personal banking teller windows were given certificates redeemable for cameras. Those using the bank's ATM units received certificates in the mail.

During the first week of the promotion, representatives of Polaroid were on hand to demonstrate the camera's use.

A pledge of \$2 of each \$200 deposited during the "Greening of the Glenn" promotion at First National, Northglenn, Colo., resulted in a total

donation of more than \$2,000 to the local park department for the purchase of greenery for the city's parks.

In addition, the bank realized more than \$800,000 in new money for its own use.

The promotion was the idea of the local mayor and was launched during a ceremonial tree-planting last April.

There's no limit to the success a bank can enjoy with the use of premiums—as long as the promotion is well thought-out and holds a measure of appeal to the public. • •

Historic Fort

(Continued from page 38)

features on the creation of Fort Lernoult. Full-page coverage also was given to the project in the *Legal Advertiser*, a publication read by more than 5,000 attorneys and businessmen in a tri-county area of which Detroit is the principal city.

The exhibit was featured on two of Detroit's major television stations and written about extensively by several of Michigan's banking trade journals. In addition, a number of suburban weekly publications carried large write-ups about the diorama.

At the request of the Michigan Department of Natural Resources, a feature article was prepared by the bank and was published in the January-February issue of "Michigan Natural Resources," that department's official publication. The magazine is read by thousands in Michigan and elsewhere in the country.

Furthermore, the Fort Lernoult project was written up in "Bicentennial Times," official publication of the American Revolution Bicentennial Administration.

The importance of the project was also recognized by others. Last March it was a featured exhibit in the 1976 Home, Furniture & Flower Show held at Cobo Hall in Detroit. More than 600,000 who attended the show saw the diorama of Fort Lernoult and its bank-related identification.

In addition, as part of the pre-show publicity, extensive information about the scale model of the fort was prominently featured in the show's official newsletter, "The Bicentennial Bellingranger," sent to all exhibitors, local city officials, community leaders and the media. Another part of the publicity build-up included a half-hour taped program aired over one of Detroit's major TV stations two days before the show opened; the scale model of Fort Lernoult was featured on that program as

one of the show's major attractions.

Judged by comments to questionnaires filled out last November by visitors who saw the diorama while it was on display at Detroit Bank, the model was received favorably by them. Based on information provided by the Detroit Historical Museum, visitors who have seen it there also are favorably impressed. By these "yardsticks" then, the bank believes the project can be termed a success. Its real value, however, lies in the fact that it helps, once more, to bring attention and perspective to the important role Detroit played in the American Revolution.

The first professional archaeological work on the Fort Lernoult site occurred in the spring of 1962. Following discovery of the southwest bastion while constructing the then new Detroit Bank & Trust Building, the bank and building owner, Sam Minskoff & Sons, underwrote archaeological research conducted by Dr. Arnold Pilling of Wayne State University.

To commemorate the official opening of the new building, the bank also commissioned Dr. Philip P. Mason of Wayne State University to write a monograph *Detroit, Fort Lernoult and the American Revolution*—which remains the principal authoritative treatise on Detroit during the Revolutionary War. • •

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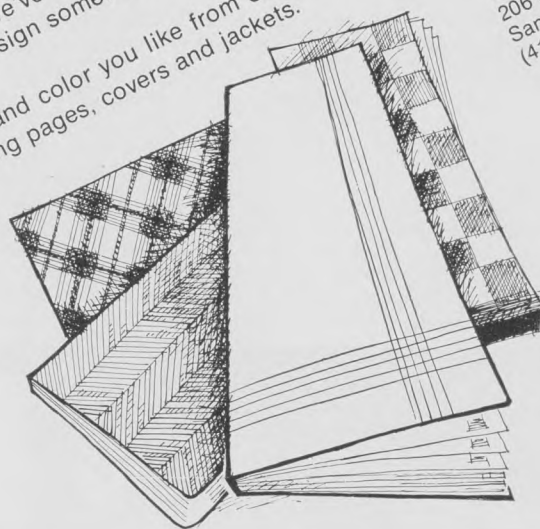
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Commerce Bancshares Directors Look at EFTS, International Scene And What's Ahead for Banking

By ROSEMARY McKELVEY
Managing Editor

EFTS, international banking, duties of bank directors—subjects such as these were on the two-day program of the 1976 directors' conference held by Commerce Bancshares, Kansas City-based multibank HC, at that city's Alameda Plaza Hotel last month. Guests included more than 200 directors of the various Commerce banks spread around Missouri.

In opening the business session June 5, James Kemper, the HC's chairman and president, noted that the group assembled that morning represented 31 different banks in 29 different communities, and it included the largest bank in Kansas City, the smallest one in St. Louis, the second largest in Springfield and the newest in Independence. Because the group includes banks in agricultural communities, shopping center banks and banks in older cities that have been surrounded by rapidly developing metropolitan areas, Mr. Kemper said, the group is a complete cross section of Missouri. In addition, he continued, these banks' directors represent a cross section of business leadership in middle America.



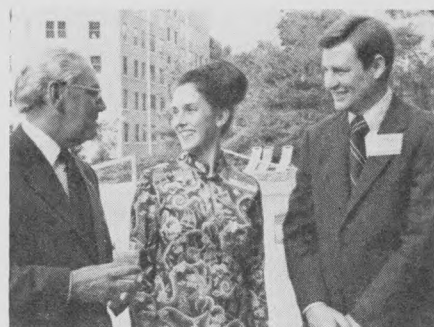
KEMPER

Mr. Kemper paid tribute to the directors, saying, "The management of your banks recognizes our great indebtedness to all of your directors and your communities for your support, and we are anxious to continue to merit your interest and esteem for us as a banking profession."

He recommended that those connected with banking stress the good points of a banking system that has been a major factor in financing an economic system that has out-performed every other system known to history. Mr. Kemper said he believes this is true because banking in this country has been innovative, not over-regulated, and has attracted some of the best talent available for that reason.

"We must not," he warned, "let the few horror stories in banking in the last few years crowd out the predominance of sound, strong banking in a system of free enterprise, and we must not accept complacently the argument that all political problems can be solved by playing around with the money supply. If we are to be associated with banks, we must think well of them and speak well of them. We should do everything in our power to improve the public perspective on banking."

Mr. Kemper pointed out how, as a group, bankers have been criticized for not making more money available on easier terms to people in all walks of life, while, on the other hand, there have been all kinds of investigations of bankers' "liberality" in extending credit. Therefore, he asked, why would anyone want to be a banker? The principal



Marion O. Riemeier (l.), ch., Commerce Bank of Kirkwood, talks with Mrs. Barney Rullman and Mr. Rullman. Mr. Rullman is pres. of new Commerce Bank of Grandview, which is scheduled to open July 12.

compensation, according to the Kansas City banker, must be that of the power to get things done, the exhilaration of being at the center of the finest economy the world has seen and full participation in the life of one's community.

A Director's Duties. Bill Lamberson, vice chairman of the HC, discussed the duties, responsibilities and opportunities of a bank director. He quoted from the Comptroller's policy guidelines: "Directors have been placed in positions of trust by the shareholders of the bank. Both statutory and common law have placed responsibility for the management of banks, whether it involves the lending or investing function, protection against internal fraud or any other activity of the bank, firmly and squarely on the members of the bank's board of directors. The directors of a national bank may delegate the day-to-day routine of conducting the bank's business, but they cannot delegate to their officers and employees responsibility for the consequences resulting from unsound or imprudent policies and practices." He added that a majority of Commerce Bancshares banks are state chartered, but he was sure that Missouri has policy guidelines "with equally frightening wordage."

Mr. Lamberson had some advice for bank directors: Leave the job of operating a bank to its management if the latter is capable. This doesn't mean, he

LEFT: P. V. "Plez" Miller Jr. (2nd from r.), pres., Commerce Bank of Kansas City, and HC director, visits during Commerce Bancshares directors' conference with Mr. Don L. Smith and Mrs. Smith (l. and 2nd from l.) and Menefee D. "Chuck" Blackwell. Mr. Smith is v.p. & compt., Southwestern Bell, St. Louis, and a director of Commerce Bank of St. Louis. Mr. Blackwell, a Commerce Bancshares director, is a partner, Blackwell, Sanders, Matheny, Weary & Lombardi, Kansas City. CENTER: James M. Kemper Jr. (r.), ch. & pres., Commerce Bancshares, talks with CBS News commentator Douglas Edwards, who spoke at conference. RIGHT: Warren W. Weaver (l.), e.v.p., Commerce Bancshares, and Norman Cowperthwaite, pres., Commerce Bank of Moberly, get together following business session of HC directors' conference.





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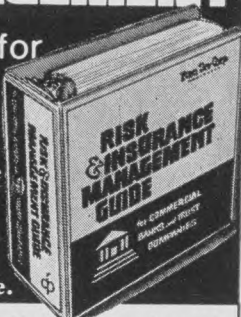
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Mrs. Robert E. Fay (l.) and Mrs. John S. Leffen talk with each other at poolside party that preceded Friday night dinner and entertainment. Mr. Fay is a Joplin businessman, and Mr. Leffen is ch., Commerce Bank of Joplin.

said, that directors should abdicate their legal and moral responsibility; it doesn't mean they shouldn't keep themselves fully informed as to the execution of the board's policies, how management is performing and the bank's doing. On the other hand, he continued, if the bank's officers aren't capable of carrying out policies and operating a profitable institution, they should be replaced. One thing is clear, he emphasized: Directors cannot manage the bank.

A bank director, said Mr. Lamberson, must see that his bank functions as a positive contributory element of community life, must not divulge confidences exposed in the board room and should bring new business to his bank. The first thing a director can do, he continued, is to bring in his own account and that of his business. However, he warned, before recommending his bank's services to others, the director should be thoroughly familiar with its facilities and capacities and be sure that it's able to take adequate care of a prospect's needs. Naturally, said Mr. Lamberson, a director should not try to take over functions of the credit and loan officer and shouldn't put himself in the embarrassing position of seeming to promise something the bank has to turn down.

Apart from being a bank booster among business and social acquaintances, Mr. Lamberson advised, a director can be extremely helpful to the bank's new business department by providing it with leads on prospects, giving introductions and even using his influence with prospects in support of the bank's own efforts.

A Forecast for Banking. Potential developments in the financial field were discussed by J. B. Bowers, the HC's director of research and planning. The laundry list, which included those already occurring and those likely to occur, is as follows: 1. All federally chartered financial institutions, including S&Ls, savings banks and credit unions, will offer checking accounts. 2. All these financial institutions, as well

as commercial banks, will pay interest on checking accounts. 3. Interest-rate ceilings on savings and time accounts will be modified or removed. 4. S&Ls, credit unions and savings banks will be granted expanded consumer lending powers, including credit card programs and trust powers, nearly equivalent to banks. 5. All federally chartered thrifts will become active participants in commercial paper markets, corporate debit markets and bankers acceptances. 6. Tax treatment will be equalized for financial institutions, and tax incentives will be given those institutions willing to commit certain levels of their financial resources to the residential mortgage market and to community development. All the foregoing, said Mr. Bowers, will have the effect of blurring the distinctions between commercial banks and other financial institutions.

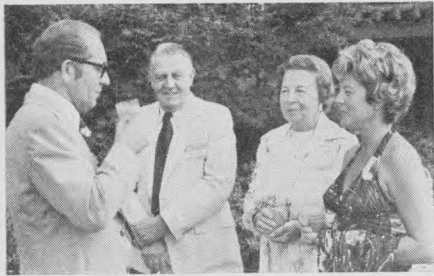
He also had a laundry list of future consumer services, including: direct and automatic deposit of checks; guaranteed check-cashing privileges for most consumers in all major retail stores; bank teller services at major grocery store outlets, at some retail outlets and at unmanned automated teller machines; bill paying by phone for routine bills; transfer by phone of funds between checking and saving, installment loan or credit card accounts; and a combined single monthly statement from a bank reflecting transactions and status of each banking service. At about the same time as these innovations take effect, Mr. Bowers continued, incentives will be offered consumers to forego return of their canceled checks and, in their place, receive descriptive statements much like their current charge card statements.

Mr. Bowers foresees consumers becoming increasingly protected against infringement on their financial privacy by the government, creditors and employers.

Corporate bank customers also were in Mr. Bowers' forecasting: They will get more efficient collection of items deposited in corporate demand accounts; increasingly greater amounts of corporate receivables will be collected elec-



Enjoying cocktails before luncheon that closed directors' meeting are these Poplar Bluff residents (l. to r.): Mrs. Donald E. Hamm, wife of pres., Commerce Bank of Poplar Bluff; Mrs. Lewis Miller; Mr. Miller, real estate agent; J. Lee Purcell, lawyer; and Mrs. Purcell.



Some representatives of Commerce Bank of Hannibal at conference are (l. to r.): J. C. Raible, ch. of bank; J. F. "Frank" Davidson, Monroe City businessman who is on Hannibal bank's board; Mrs. Davidson and Mrs. Raible.

tronically; the float game played so well by large firms will become one of diminishing returns as automated clearing houses, regional check-processing centers and wire collection of large items result in one day or less presentation of checks, no matter where the checks are deposited or drawn; and as that day approaches, corporations will switch their cash-management priorities from float to that of total information about their immediate cash positions, cash requirements and status of alternative money markets in which to invest idle funds. A principal effect of these corporate laundry list items, said Mr. Bowers, will be an unbundling of bank services in the sense that a more structured service fee will emerge between banks and corporate clients, and compensating balances will be less important, except to the extent that the balances are directly related to the terms of the loans themselves.

The International Scene. Don Alexander gave an international report. Formerly manager, international department, Mr. Alexander recently was named vice president, loan administration, for the HC. However, he continues to manage international activities for Commerce Bancshares and its affiliates. He pointed out that in recent years, labor costs have risen slower in the U. S. than in most industrialized countries—a 40% increase in this country and anywhere from 100% to 300% in other industrialized nations.

Mr. Alexander touched on the Middle East, from which he had recently returned, and inflation in this and other industrialized countries. He then turned to Commerce Bancshares' international department, saying it has entered into some new activities during the last two years and has changed its position from purely service to service *and* income producing. Although this department's principal activities, he continued, still are letters of credit, collections, foreign currency, payment orders and transfers, an increasing portion of its time is devoted to foreign exchange trading and direct lending overseas. He pointed out that Commerce Bank is the only Kan-

sas City bank with a full-time foreign exchange trading desk.

What's New. Commerce Bancshares directors were shown samples of TV commercials that carry out the new HC banks' theme, "What Can We Do for You? Just Ask." They also saw commercials of some individual HC banks and slides featuring various HC officers discussing what's going on in the holding company and heard Douglas Edwards, CBS news commentator, talk on "What's Right About America."

The night before the business meeting, the HC was host at a dinner, followed by entertainment that included Larry Logan, harmonica virtuoso, a

group from "Up With People" and dancing. Kansas City Mayor Charles Wheeler welcomed the directors during the dinner. • •

• **BankAmerica Corp.** San Francisco, has received approval to list its stock on the New York Stock Exchange. The HC has listed 70,429,630 shares of common stock, which has been allocated to the specialist firm, Robb, Peck, McCooney & Co., Inc., New York City. In early June, the HC's directors authorized a two-for-one stock split and, subject to market conditions, issuance of additional shares. If approved by shareholders, the split would be effective August 17.

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'Go Slow' on EFT Development Advice of Retailer Rep At New Mexico Convention

A PLEA for a "go slow" policy on EFTS legislation was voiced by H. R. Lively, director of public affairs for Sears, Roebuck & Co. at the New Mexico Bankers Association convention in Las Cruces last month.

Mr. Lively told bankers in no uncertain terms that the nation's retailers will vigorously oppose any attempt on the part of financial institutions to encourage legislation that would interfere with retailers' existing or planned services in the EFTS area.

He said that representatives of the financial industry are spreading fabrications about the intent of the retailing industry to muscle in on banking's domain by offering competing services, such as overdraft services on charge cards. He added that fabrications sometimes become true after they have been voiced over and over.

Mr. Lively asked bankers to consider where the problem lies that has generated such heated debate. "If retailers truly do not desire to enter traditional banking activities, why the allegations that we lurk in the wings ready to leap out and seize control of EFTS?"

"Those who promote these ideas have another motive. The magician knows that a little diversion will cause the eye to flicker. We all know the hand is faster than the eye. Regrettably, EFTS is being used as a vehicle and

the allegations about the big national retailers' desire to take over banking services or, at the least, control of EFT systems, is designed to cause the eye to flicker while the traditional limitations on branch banking are being handled by the larger financial institutions.

"For the fact is indisputable that any major roll out of electronic banking will be difficult to cost-justify if branch banking laws limit installation of terminals and their distribution to convenience points for consumer access.

"There is no technical limit to the electronic marketplace, and, as we have said, cost justification demands an expanded base. We are in an era of transition imposed by the evolution of technology; thus, laws originally meant to protect financial institutions from encroachment now have a limiting and restraining effect upon those very institutions."

He said that Sears is never likely to utilize bank cards with a credit feature. "But," he added, "if consumers learn to accept a plastic card replacement for the more traditional demand-deposit instrument, we may wish to utilize them in our stores. We don't want laws that would mandate that we accept other services, either, for in our reluctance to enter other service fields, such as bank cards, we may be forced to refuse some



Flanking convention speaker James E. Smith, Comptroller of the Currency, are NMBA Pres. Wayne Stewart (l.), pres., First Nat'l, Alamo-gordo, and Denton R. Hudgeons, NMBA e.v.p. Mr. Smith announced his resignation shortly after convention ended.



Lively (l.) and Stewarts pose during social hour at New Mexico Bankers Assn. convention in Las Cruces last month. H. R. Lively is dir. of public affairs for Sears, Roebuck & Co. and spoke at convention business session. Wayne Stewart, as NMBA pres., was presiding officer at convention.

services which square with our business philosophy.

"I urge that you not fall prey to over-zealousness in seeking legislation in this field and urge most sincerely that, absent a serious and compelling need for legislation to deal with specific problems, that laws limiting, regulating or dealing with the development of EFT systems should be delayed until the National Commission on Electronic Fund Transfers releases its report."

Comptroller of the Currency James E. Smith forecast a good economy for the next 10 years. He said the country is forming a good base from which to expand for a healthy, lasting economic future.

Two recommendations were made during the meeting in the area of NMBA operations. The first was that



New NMBA officers pose with outgoing Pres. Wayne Stewart (l.), pres., First Nat'l, Alamo-gordo. They are: Charles Joplin (2nd from l.), pres., Security Nat'l, Roswell—pres.-elect; W. R. Nicks (2nd from r.), pres., Citizens State, Springer—pres.; and Ralph F. Petty Jr. (r.), pres., Bank of Santa Fe—treas.

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And if that sounds appetizing, consider that Texans spend an additional \$20 billion at 105,000 other retail establishments every year... from cafeterias to camera stores.

As the cash registers total up, so does the retailer's payroll, to the tune of \$3 billion a year for 650,000 employees. But it takes more than customers' dollars to build a successful retail business in Texas.

It takes solid financial backing. And First City National Bank is helping merchants find exactly what they need. This involvement has provided us with first-hand retail experience. What we've learned is yours for the asking.

We're becoming involved with

more and more industries every day. And we're proving to correspondents that more service is the result of more experience. Understanding business as well as banking has made us a major financial strength behind Texas industry.



the convention site be changed to Albuquerque on a permanent basis. The second was that the NMBA consider moving its offices to Albuquerque from Santa Fe. Neither recommendation was acted upon.

W. R. Nicks, president, Citizens State, Springer, was elected NMBA president. Mr. Nicks went on record in favor of moving slowly and cautiously in developing EFT.

Mr. Nicks is succeeding Wayne Stewart as NMBA president. Mr. Stewart is president, First National, Alamogordo. Named president-elect for the coming year was Charles A. Joplin, president,



Living past presidents of NMBA gathered for group photo during convention. Outgoing Pres. Wayne Stewart is 3rd from l. in front row.

Security National, Roswell. Reelected treasurer was Ralph F. Petty Jr., president, Bank of Santa Fe.

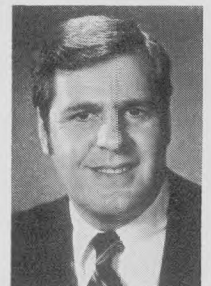
Serving as new executive council members will be H. Barton Jones, president, First National, Tucumcari; William Robertson, president, Citizens Bank, Las Cruces; and Reba Thomas, vice president, American Bank of Commerce, Albuquerque. Mrs. Thomas is said to be the first woman to serve on the NMBA executive council.

Next year's convention is scheduled for Santa Fe. • •

■ DALLAS NATIONAL Bank is the new name of Fair Park National, Dallas. According to a bank spokesman, the change emphasizes the bank's desire to be a major banking center. A new symbol which accompanies the name change has been described as nonrepresentational, reflecting "diversification in banking, money in action and progressiveness."

Green Leaves Houston HC To Join Investment Firm

HOUSTON—Richard J. Green has been elected senior vice president, secretary, treasurer and director of Hibbard, O'Connor & Weeks and subsidiary companies, investment firm based in Houston.



GREEN

He was formerly senior vice president, secretary and treasurer of Federated Capital Corp., HC controlling Capital National, Houston, and other banks.

Mr. Green's new duties include serving as operations manager of the parent firm and its subsidiaries.

He joined Capital National in 1965 as controller and organizing officer.

MID-CONTINENT BANKER for July, 1976

FOR THE
RIGHT MAN



...OR THE
RIGHT JOB

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for banking, finance
and related fields
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FF TOM CHENOWETH,
manager

FINANCIAL
PLACEMENTS

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BANK

Santa Picks Prize Winner



Santa Claus, with the assistance of James Nelson, a.c., Heritage Bank, Country Club Hills, Ill., draws the winning entry for the giant Christmas stocking. The drawing for the eight-foot stocking, which was packed with more than 25 toys, was part of Heritage Bank's holiday celebration last year.

After-Christmas Club Is Marketed Nationally By Bank, Ad Agency

A new concept of Christmas clubs has been introduced by Community Bank, Verona, Va., and its advertising agency, Marketers plus, Inc., Lynchburg, Va.

It's called the "After-Christmas Club" and is designed to counteract any misgivings bank customers might have to the traditional club concept, according to Louis B. Houff Jr., president, Marketers plus.

The major differences in concept are that After-Christmas Club payments begin a month after the holiday, which enables members to use their entire Christmas club check for holiday spending before having to rejoin and commence making payments on a new club. Customers can enroll in the club during a three-month period extending from November to January.

Once the payments begin, they extend for 40 weeks, instead of the traditional 50, according to Mr. Houff. Checks are mailed the first week in November. Five percent interest is paid on completed clubs.

The new concept was tried out at Community Bank last year, following extensive marketing tests by Marketers plus. Announcement of the club was made on the final Sunday of 1975 (see advertisement in adjoining columns) and was followed by two more newspaper ads and a week of radio spot announcements on two local stations.

According to Mr. Houff, not only did the ad achieve remarkable readership for the bank, it sold the After-Christmas Christmas Club. He said the results led to the decision to market the club nationally to one institution in a market.

Mr. Houff estimates that the new club concept can result in increased enrollment of from 37% to 86%, depending on the demographics of the sponsoring bank's market. He also says the concept holds special appeal to the 35 to 49 age group in the \$20,000 to \$30,000 income level.

■ CAPITAL NAT'L, Austin, Tex., has named J. Mike Battle vice president and marketing manager and Gene Richardson correspondent banking officer. Mr. Battle formerly was vice president, senior commercial loan officer and senior marketing officer with an out-of-state bank, while Mr. Richardson previously was senior vice president, First State, Austin.

MID-CONTINENT BANKER for July, 1976

Now that Christmas is over... is the time to join the

The After-Christmas CHRISTMAS CLUB

Community Bank and trust company
Verona, Virginia 24492 AC 703 885-7243
Hours: Monday through Thursday 9 to 1 and 3 to 5
Friday 9 to 1 and 3 to 8:30
Member F.D.I.C.

With Christmas bills starting to come in, all of you who feel a little depressed are invited to join our brand new kind of Christmas Club.

The After-Christmas CHRISTMAS CLUB

It is another of our great ideas to serve you better.

Our new Christmas Club is designed for all of you who do not like the idea of starting to save before Christmas... for Christmas next year.

So we have done something about it.

Our After-Christmas Club runs for 40 weeks, instead of 50. Select the amount you wish to save weekly from the table on the right. Enroll any time until the end of January. Start your savings the week of January 21.

Then, on November 4, 1977, you will receive the amount you have saved, plus 5% interest.*

Like the idea?

Expect something different from Community Bank & Trust Company. The young bank for young people and the young in heart of any age.

Total Amount	Weekly Savings	Amount of Your Check*
\$ 50.00	\$ 1.25	\$ 51.25
\$100.00	\$ 2.50	\$102.50
\$150.00	\$ 3.75	\$153.75
\$250.00	\$ 6.25	\$256.25
\$500.00	\$12.50	\$512.50

*includes interest at 5% if you make your weekly deposits on schedule for the 40 week period, completing your Club.

Join Community Bank's new After-Christmas CHRISTMAS CLUB... for the easiest way to buy gifts for Christmas 1977

This ad introduced After-Christmas Christmas Club to market served by Community Bank, Verona, Va., last December. Success of promotion resulted in decision to market program nationally.

stops at nothing except a counterfeit!



The new Brandt® Countess® System 865 with Counterfeit Detection Aid (CDA) counts and batches currency at speeds up to 1200 per minute. But stops instantly when a suspected counterfeit is detected. A unique fail-safe feature assures you that the CDA is functioning properly. And by simply moving a switch, your staff can bypass the CDA to batch and count a wide range of documents. The new Countess System 865 with Counterfeit Detection Aid. To help you be more vigilant and more efficient at the same time. Call your local Brandt Representative today. Or write us for more information.

BRANDT SYSTEMS is a strong chain of products and services to provide you with an efficient, coordinated money processing system.

Our nationwide team of specialists provides the links of Analysis, Equipment, Training and Service . . . to generate new profits for your operation.

The Money Processing Authority

Brandt Systems

Brandt, Inc. Watertown, WI 53094
Brandt® Cashier® Countess®

Fed Policy, Legislation, ACHs Main Topics at French Lick As Indiana Bankers Gather

CONTRARY to an increasingly popular view, the relationship between the growth of total spending and the more narrowly defined monetary aggregates is still as stable and predictable as before.

This was the personal view of Eugene A. Leonard, first vice president, Federal Reserve Bank, St. Louis, at the 79th annual convention of the Indiana Bankers Association last month at French Lick. "It is possible, however," he said, "that in the future the Federal Reserve may find that control of the growth rate . . . no longer has the predictable impact that it has had. Things do change and the central bank must be constantly alert to these changes. The process by which we measure the amount of money held by the public is subject to constant (Fed) review," he said.

He noted that "conventional wisdom now holds that the required degree of flexibility in short-term rates would cause an unacceptable degree of disruption in financial markets. I question the conventional wisdom—it is likely that if the Federal Reserve followed a policy of more stable monetary growth, then there would be less fluctuation in interest rates than we have observed over the last 10 years.

"The Federal Reserve already possesses all of the powers and controls that it needs in order to control the monetary base. I would recommend that the Federal Reserve narrow its fo-

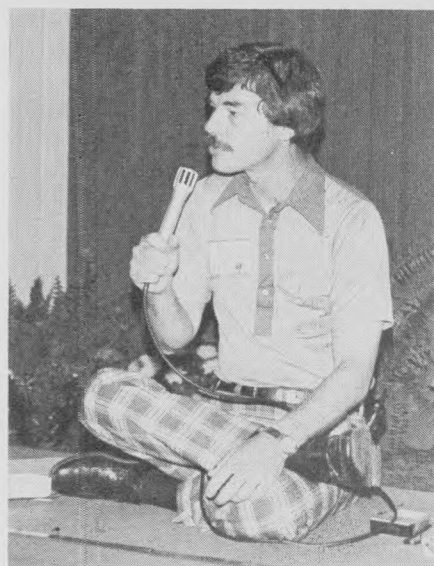
cus, not broaden it, if it perceives a need to change the way it operates."

In his final business address to Indiana bankers, C. Lloyd Griffis, IBA president, related some successes and some failures in the Washington legislative halls. Saying Washington "seems to thrive on tinkering," he reported on Senator William Proxmire's (D., Wis.) intention to amend Senate Bill 2304, "the so-called 'insider bill,' so as to limit the aggregate of all insider loans to be no more than 20% of the bank's capital accounts.

"Based on the definition of loans to be aggregated and the definition of what constitutes an 'insider,' the amendment would virtually eliminate half of the members of most bank boards if the businesses they own or manage are to be served by their bank."

Mr. Griffis said "there was quite a fuss over a bill designed by Congressman Henry Reuss (D., Wis.) to increase earnings to savers, increase availability of mortgage money and reduce the cost of borrowing to the consumer. Obviously, Mr. Reuss was not able to prove all those paradoxes, even to his own committee, or the bill would have been reported out. One of the items . . . was the removal of the prohibition of interest payments on demand deposits. This again was supposed to make more credit available, particularly for housing, and at lower costs, thereby helping the consumer."

The Bluffton banker said that func-



Eugene A. Leonard, 1st v.p., St. Louis Fed, spoke on "The Economy—American Style."



Among speakers at IBA convention were Indiana Governor Otis R. Bowen, M.D. (l.); James J. Hubbard (c.), pres., Hubbard & Assoc., Wheaton, Ill.; and Actor Richard Blake (r.) as Abraham Lincoln.

tional cost analysis reports prepared for his bank for 1974 and 1975 indicate that "76% of our checking account customers hold 7% of our demand deposits. Put another way, if we were permitted or mandated to pay interest on checking accounts, 93% of that interest paid would accrue to 24% of our checking account customers.

"All our efforts were not so successful, however. The recent Federal Trade Commission ruling on the "holder in due course doctrine" is a classic case of regulatory overkill. Despite strenuous efforts by the ABA, the Fed and others, these rules have been put into effect; they not only extend their impact beyond reason but contain enough ambiguities so as to defy rational interpretation."

A new name for automated clearing

IBA pres. for coming year is William C. Farrell Jr. (2nd from r.), pres., Elston Bank, Crawfordsville. He is with members of panel discussing ABA governing council activities. From l., George L. Whyel, council ch., and v. ch., Genesee Merchants Bank, Flint, Mich.; Richard A. Life, pres., Wabash Valley Bank, Peru, an IBA past pres.; and C. Lloyd Griffis, pres., Old-First Nat'l, Bluffton, immediate IBA past pres.



Your bank makes our investment service different.

Continental Bank's Portfolio Advisory Service is different. Why? Because we know the needs and goals of every bank are different.

Our banking and investment specialists initiate the service by doing a thorough analysis of your bank's trade area along with your deposit and loan trends.

Then, weighing these particulars against future market and economic indicators, we help you build the kind of liquidity portfolio and investment portfolio that are best for your bank.

Join the Continental Correspondents who've added our years of commercial banking expertise to their portfolios. Call Barry Johnson at 312/828-4730. You'll find we'll go out of our way to find a way to help you.

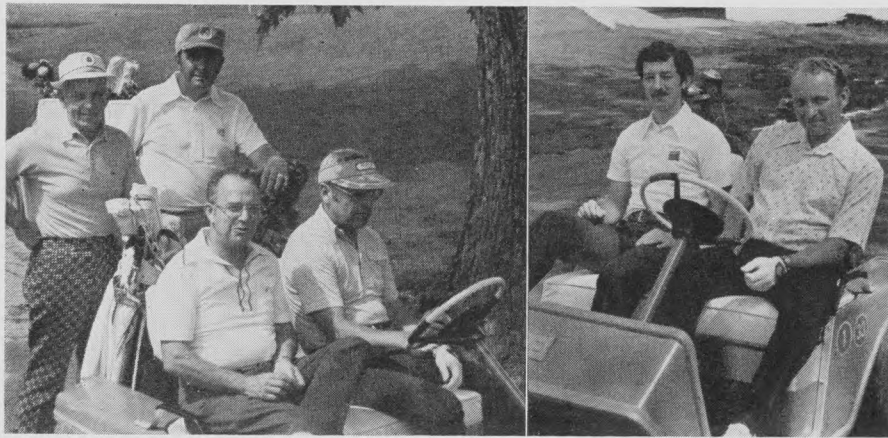


CONTINENTAL BANK

We'll find a way

SUBSIDIARY OF

CONTINENTAL ILLINOIS CORPORATION



On the French Lick golf course were (l.) four-
some including (front) Bob Rose (l.), American
Nat'l, Vincennes; Jim Barnett, Citizens Banking
Co., Lynn. Rear: Ken Miles (l.), Corydon State;
Wayne Pierce, Sullivan State. In r. photo are
Rick Towler (l.) and Mike Richard, Merchants
Nat'l, Indianapolis.

houses (ACHs) was suggested to convention delegates by Larry O'Brien, executive director, Indiana Exchange for Automated Payments (INDEX), Indianapolis. "SurePay" is the name he recommends to all 27 bank-sponsored ACHs in the country. He called it "a universal name, one that will lend itself to successful advertising, promotion and marketing."

There are now more than 100 Indiana members of INDEX, but Mr. O'Brien admitted that progress had been slow since ACHs started in 1972.

"In 1975, only four million items were processed in the U. S.," he said. He cited "huge volume in European countries—there were 240 million transactions in Great Britain alone," he reported.

As for INDEX itself, Mr. O'Brien said that the operating and marketing committees are being expanded and that advertising and promotion is needed to educate the public.

Governor Otis R. Bowen said "pocketbook economics still command attention," and reported that unemployment in the state dropped from a high of 9.6% to 5.7% as of May, 1976. With obvious pride he said that Indiana ranks eighth among all states in export volume. "Overseas business in our state amounted to \$4 billion last year," he said.

The governor was critical of federal policies for the so-called "Sunbelt" states in the midwest and said that Michigan, Ohio and Illinois would be hurt the most.

Four panelists reviewed topics highly ranked by the ABA's governing council. George L. Whyel, the council's chairman and immediate past president of the ABA, chaired the panel. He said the council has 152 members, each having two-year terms. Four meetings are held each year and at last fall's meeting "these topics were considered uppermost: a financial advertising code of ethics, economic education, CBCTs, government relations and BankPAC."

Richard A. Life, ABA state vice president from Peru, said CBCTs "command widely divergent views, to say the least, and this complex subject will continue to be a major topic among all financial institutions."

President-Elect William C. Farrell Jr. of Crawfordsville, speaking on BankPAC, admitted the national record "isn't good." The national goal for political contributions is \$370,000 and Indiana's is \$9,000, he said. "\$2 per bank officer is the average donation sought," he added.

Speaking on government relations was C. Lloyd Griffis, IBA president. He listed four criteria as the basis for discussion of this topic by council members: What affect will a given bill have on the bank customer? What is the competitive situation? What is national policy on the proposed subject and/or bill? What is the affect on all financial institutions?

Answering criticism sometimes put to the ABA on negativism, Mr. Griffis said "it is very difficult to be positive on negative topics."

James J. Hubbard, former bank and S&L executive and now a financial consultant in Wheaton, Ill., listed 12 "practical ideas for competing with S&Ls and credit unions."

1. Sell your present customers. They're already with you, but anywhere from 20%-50% of your checking customers don't save with you.

2. Give your products a difference. Put together attractive bundled services that offer a benefit.

3. Put one person in charge of all personal banking services. This consolidates accountability for all of the personal banking business—deposits and loans.

4. Start a call program for large-balance customers. What's true for your wholesale business is true for your consumer business—a high percentage of deposits belong to a small percentage of customers.

5. Know what your competition is

doing. Use the telephone and shop your competitors. Or hire a competent shopping service. Do it often, perhaps semi-annually, and monitor competitors' ads, too.

6. Welcome Wagon arrives too late. Seventy-five percent of the banking decisions are made before the person moves to town or within the first five days.

7. Train your contact people. Offer good training in your products and those of your competitors. Provide written manuals for your staff, with descriptions of your products and comparisons with competitors' products.

8. Make every customer feel like a king. Train employes to use customers' names. Use a positive approach; eliminate the "we don't allow," "we can't do that" phrases, have a "can do" philosophy.

9. Open a \$1 savings account for new checking customers. A healthy percentage—up to 80% or more—will grow into thriving savings accounts over a period of several months.

10. Screen customers, then offer pre-approved installment loans and personal credit lines. Growth in outstandings will more than justify the cost. Offer credit—both personal credit lines and pre-approved installment loans—to new checking customers in a positive benefit-oriented approach.

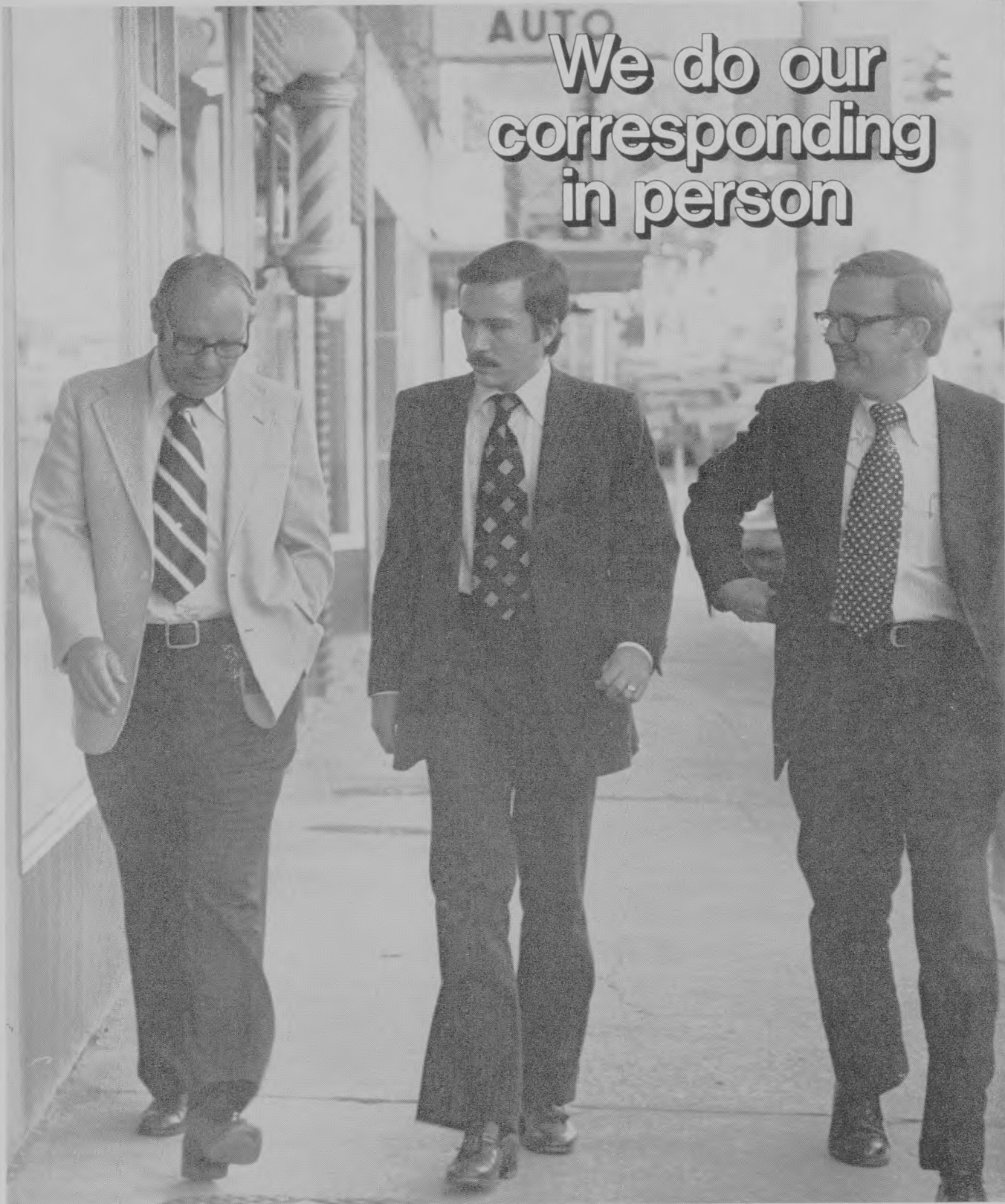
11. Use a single new accounts form for deposit and loan services. It makes buying easier for the customer and selling easier for your people.

12. Emphasize dollar return on savings vs. rate. Show how "\$1,000 can become \$1,561.35 in just six years," instead of just saying "we pay the top rate," or "we pay 7.5%." Customers want dollars, not percentages.

William C. Farrell Jr., president, Elston Bank, Crawfordsville, was elected president of the association. Other new officers are vice president, Tom G. Voss, president, Seymour National, and treasurer, William H. King, president, Second National, Richmond.

Three men were elected to one-year terms as members-at-large of the association: Lyle Brighton, executive vice president, Owen County State, Spencer; William R. Irwin, executive vice president, Farmers Bank, Frankfort; and Robert E. Price, president, Central State, Connersville. • •

**We do our
corresponding
in person**



Randolph Stivers, Executive Vice President of First National Bank & Trust of Corbin conducts Jim McKenzie, Asst. Cashier, and Murphy Brock, Vice President of Liberty Bank, on a tour of downtown Corbin.



Liberty National Bank
and Trust Company of Louisville

MID-CONTINENT BANKER for July, 1976

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Economist Tells Merc Baseball Party Of 'Possible Trouble' in Late 1977

By DANIEL H. CLARK
Editorial Assistant

THE NEAR-TERM economic outlook is good, but the last three quarters of 1977 may mean trouble. Those were the predictions of R. G. Dederick, senior vice president and economist, Northern Trust, Chicago, at the "Spirit of '76" Correspondent Baseball Party of Mercantile Bank, St. Louis. The party was held at Stouffer's Riverfront Towers in St. Louis.

The annual event of Mercantile featured "bullpen sessions" for the men, during which Lynn H. Miller, bank executive vice president, was the moderator of a commercial loan panel. Panel members were Donald B. Wehrmann, senior vice president, St. Louis group; Patrick J. Brennan, senior vice president, international banking; Charles A. Elfrank, senior vice president, personal banking; J. Richard Skouby, secretary, legal department; and James A. Smith, senior vice president, central group.

Jack Buck, sports director of KMOX Radio, St. Louis, was on hand to provide commentary on recent developments on the major-league baseball situation. For the spouses, there was a concurrent program on the 1904 St. Louis World's Fair, presented through the eyes of a photographer who was there, and including a slide program by Mrs. E. J. Birk.

Following the afternoon sessions, a cocktail reception was held. Dinner was served at 5 p.m. so guests could finish in time for the Cardinal baseball game at Busch Stadium at 7:30.

In welcoming the correspondent bankers to the men's bullpen session, Donald E. Lasater, chairman and CEO of Mercantile Bank, warned of the increasing strength of credit unions. He called on bankers to examine themselves and find banking's common objectives. Mr. Lasater urged bankers to speak out on the issues and to let people know banking's opinions about proposed legislation *before* the lawmakers act on it. "Regulators are going too far because banking hasn't gone far enough," he said.

As far as the near-term economic outlook is concerned, things are relatively cheerful, said Mr. Dederick, who was the featured guest speaker during the men's bullpen session.

During the rest of 1976 and into the

first quarter of 1977, he predicted, output and the economy will rise. "There is no question that we will continue to experience a recovery for the next nine or 12 months: We have something going for us, and that is the momentum of the recovery, momentum that will be self-reinforcing. Such momentum usually continues unless some serious imbalance arises," Mr. Dederick said.

The reasons for a predicted continuance of that recovery, he indicated, are threefold. The first is that there is much room for growth in this country; the second, that there is much liquidity to finance that growth; and the third is our government's policy, one "that is hardly restrictive," he said.

The low level of business inventories is a good sign, the Northern Trust economist said. It is a major imbalance present in the economy that encourages spending gains rather than spending increases. Mr. Dederick predicted that in the next year there would be a 5½-6½% real growth rate, a profit gain of 25-30% and that unemployment would dip to a figure somewhere below 7%.

"Inflation," he said, "is hardly a source of concern at present." It will be under control through the next nine or 12 months. Mr. Dederick said that slack labor markets would keep wage increases down, as would the strained financial positions of state and local governments, adding that most union workers won't be getting large wage increases during that period.

What about the inflation rate over the next year? Mr. Dederick pegged that at 5-6%.

As far as the financial markets are concerned, he said, "nothing disastrous" is ahead in the short-term future for money and bond sectors. He felt that the Fed would not impose a tight monetary policy and forecast a rise in short-term rates of possibly 100 basis points over the coming year. That, he said, would mean a prime rate of about 8%.

Calling 1977 the "Year of the Capital Spender," Mr. Dederick prognosticated about inflation *concerns*, a major issue of the coming year. "We possibly will have very good crops this year and the next," he said, something he saw as a constraint to inflationary pressures elsewhere in the economy. But, Dr. Dederick added, we'll have to be lucky, because 1977 will be the third year of the recovery. It's almost certain, he said, that we'll run into some signs of strain in some markets, especially when



R. G. Dederick, s.v.p. & economist, Northern Trust, Chicago, was spotlighted speaker during Baseball Party of Mercantile Bank, St. Louis. He predicted good near-term economic outlook, expressed concern for last three quarters of 1977.

a recovery is happening all over the world.

During a synchronized world recovery, he noted, some prices may rise faster than others, so we'll have a waning of cost-push inflation, while demand-pull pressures may begin to wax. Those demand-pull pressures, Mr. Dederick said, are likely to outweigh the cost-push inflation in 1977, causing inflation to become a problem—but not one that's likely to explode.

The major concern, he pointed out, would be *concerns* about inflation. It would be approaching the fourth year of the recovery, and it is natural for people to begin expressing concern about "rampant" inflation.

What would be the response to those concerns? He said it would depend on the political party in power at that time. Republicans would have a low inflation-pain threshold; they would do something about inflation even if inflation was only *forecast*. Republicans, he noted, don't use fiscal policy well, due to a Democratic Congress. That would result in a tightened monetary policy; interest rates would then go up.

If the Democrats were in power, they would be less frightened by inflation, Mr. Dederick said. Democrats would wait until inflation "showed the whites of its eyes," then look for a new way of holding it down. Their solution probably would be innovation in the wage-price-interest rate setting process, he predicted.

In conclusion, the Chicago economist saw 1977 as a year for possible concern because either aforementioned method of controlling the economy is bad. He expressed a dislike for reigning in the economy when unemployment is 6% or higher; likewise, he disdained a Democratic-party interference with market mechanisms. "That," Mr. Dederick stated, "is something Americans have never been very successful at doing."

"This deposit ticket has cut our direct deposit processing time by at least 75%. If anything is worth the money, this is it."

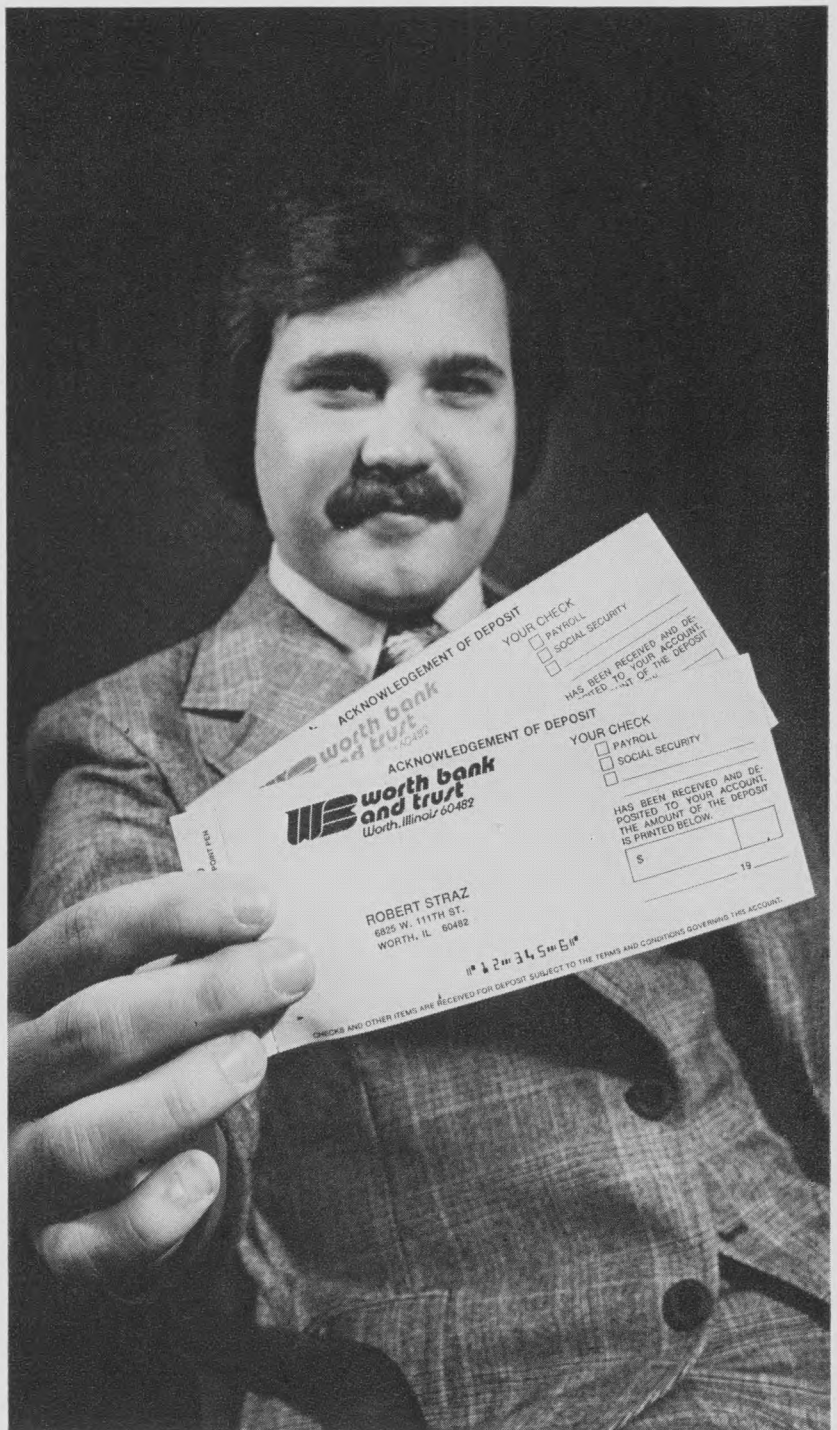
Robert S. Straz, Cashier
Worth Bank & Trust
Worth, Illinois

"When the direct deposit of checks first became popular, we were doing all of our credits by hand. It involved a lot of time, especially forwarding an advice to the customer.

"Then, we began using Harland's Direct Deposit ticket, and immediately we realized a time savings. Now, we simply fill in the amount of deposit on the MICR encoded, pre-imprinted deposit ticket, drop the customer's portion in the accompanying window envelope and mail it. Nothing could be easier.

"The Harland Direct Deposit ticket has cut our processing time by at least 75%. The cost of the tickets is easily offset by the amount of time saved.

"Once again, Harland helped us solve a problem with a good idea."



At Harland, we do more than print checks. We print good ideas.

HARLAND

BANK STATIONERS, P.O. BOX 13085, ATLANTA, GEORGIA 30324

NEWS

From the Mid-Continent Area

Alabama

■ CITY NATIONAL, Dothan, has named John P. Wilson and Nicholas R. Ash vice presidents and Bettye J. Raley assistant cashier. Mr. Wilson, the bank's senior commercial loan officer, joined City National in 1971 and is the coming year's president, BAI Southern Tri-

States Chapter. Mr. Ash joined the bank in 1972 and Mrs. Raley, in 1970.

■ KEN W. RAY has been named vice president, operations department, First National, Birmingham, while William C. McDonald has been elected assistant cashier and Southside Branch assistant manager. Ernest W. Stephenson Jr. has been elevated to assistant cashier, First

National branch administration department.



Let our billion dollar organization help your bank profit. Call

Lynn Mosley (205/832-8588), president of First Alabama Bancshares, Inc.

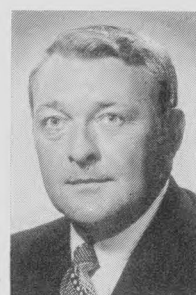
Affiliate Banks

- First Alabama Bank of Montgomery, N.A.
- First Alabama Bank of Birmingham
- First Alabama Bank of Huntsville, N.A.
- First Alabama Bank of Tuscaloosa, N.A.
- First Alabama Bank of Dothan
- First Alabama Bank of Selma, N.A.
- First Alabama Bank of Gadsden, N.A.
- First Alabama Bank of Athens, N.A.
- First Alabama Bank of Baldwin County, N.A.
- First Alabama Bank of Guntersville
- First Alabama Bank of Hartselle
- First Alabama Bank of Phenix City, N.A.
- First Alabama Bank of Mobile County

First Alabama



CROW



PENNINGTON

■ JAMES S. CROW, chairman and president, First Bancgroup-Alabama, Inc., Mobile, has been named a member of the 1976 National U. N. Day Committee. Membership of the committee of business and labor leaders will help direct the October 24 United Nations Day program across the country. At the HC's lead bank, First National, Mobile, Richard M. Pennington Jr., vice president and marketing division manager, has been elected southern regional vice president of Sales and Marketing Executives International, an association considered the world voice of marketing. It provides information, education, communication and guidance to improve the professional productivity of its members.

Arkansas

AIB-Little Rock Installs Officers



The Little Rock chapter of AIB has named its officers for the coming year (clockwise, from l.): LaVerne Kuykendall, Worthen Bank—treas.; David Burnett, Rose City bnkg. off., Twin City Bank, North Little Rock—2nd v.p.; Frances Heard, Union Nat'l—sec.; and Jim Davis, a.v.p., Union Nat'l—pres.

ESOP Begun in Fort Smith

FORT SMITH—The Employee Stock Ownership Plan (ESOP) has become a reality at City National.

An ESOP is a form of qualified deferred compensation trust having features of the stock bonus, profit-sharing and stock purchase agreement plans. With such a program, employees are given the extra incentive of having a proprietary interest in the corporation. And the plan can be carried out with tax deductible dollars, with no reduction in employees' pay.

City National reportedly is among the first national banks in the U. S. to adopt such a program. The bank's ESOP was designed and implemented by Bob L. Sellers & Associates, Memphis, representing Kelso-Bangert, San Francisco.



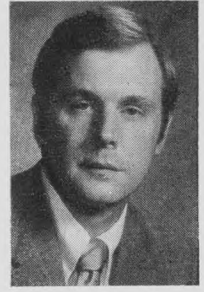
MILLER



BAKER



TINGLEFF



BARR

sistant vice president. She will serve in its Scottsdale, Ariz., Representative Office, which is scheduled to open this fall. Mrs. Russell will have responsibility for new business development in several southwestern states.

■ DONALD C. MILLER, executive vice president and treasurer, Continental Illinois Corp., Chicago, has joined the HC's corporate office, joining Roger E. Anderson, chairman, and John H. Perkins, president, as a member of its senior management. Mr. Miller will oversee Continental's worldwide performance and activities, continuing as its chief financial officer. George R. Baker, executive vice president, will be responsible for commercial banking and international services, including the London-based merchant bank. At the HC's subsidiary, Continental Illinois National, Chicago, John B. Tingleff, vice president, commercial banking department, has been named correspondent banking division head for Chicago and the midwest. He previously headed the Illinois division.

■ GEORGE L. BARR has been appointed president, Drovers National, Chicago, while Philip M. Lewin has been elected chairman and Robert Lough has been named honorary chairman. Mr. Barr was the bank's executive vice president.

■ FIRST NATIONAL, Metamora, has opened its new quarters. Of a modern design, the building is of sand-colored

brick and bronze-finished fascia. Natural colors highlight its interior, with earth-colored quarry tile and coordinated browns in the wall covering and carpet. A mural behind the tellers area depicts a forest scene, while glass partitions between officers' areas create an "open" feeling. Design, construction management and interior furnishings were by Bunce Corp., St. Louis.



■ ANTHONY DeMARIA has been named president of Security Bank, Wood Dale, while Ron W. Teiwes has been elected vice president and Gary M. Newman, cashier. Mr. DeMaria, formerly executive vice president, joined the bank in 1972. Prior to that, he had been with Dempster Plaza State, Niles, and First Bank, Oak Park. Mr. Teiwes joined Security Bank in 1974 and formerly was with Bank of Bellwood, while Mr. Newman, formerly assistant cashier, joined Security Bank in 1973. In other news at the bank, G. Ward Stearns has been named chairman, succeeding Charles C. Looney, who has retired with the title of director emeritus. James E. Burgess has been elected vice chairman.

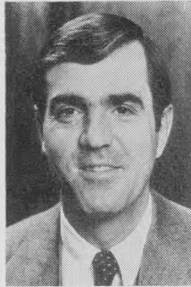
■ JOSEPH R. FREY has been honored by a reception at the Drake Hotel in Chicago commemorating his contribution to banking and the community. He retired as chairman of Lake Shore National, Chicago, but will remain active in banking. Mr. Frey, a past president of the Illinois Bankers Association, joined his bank in 1929 and was named its president in 1933 at the age of 36. He had served as the institution's chairman, president and CEO since 1952.

■ BYRON P. BAKER has joined Milikin National, Decatur, as a farm manager.

Illinois




STULTS



CARLSON

■ ALLEN P. STULTS, chairman, American National, Chicago, has succeeded William G. Ericsson as president of the bank, following Mr. Ericsson's appointment to the parent HC, Walter E. Heller International Corp., Chicago, as head of projects and planning. Mr. Stults, a past president of ABA and the Illinois Bankers Assn., retains his posts of bank chairman and Heller International president. In other news at the bank, James A. Carlson, correspondent and institutional banking division head, and George K. Metzger, head of a commercial lending division, have been named senior vice presidents.

■ HARRIS TRUST, Chicago, has announced the following promotions: Ronald D. Sonneman, trust department, and James T. Overholt, investment department, to vice presidents; Steven J. Colbert and Ian T. Gilson, trust department, Richard J. Moreland, banking department, London Branch, and Robert W. Goetter and Emil J. Schubert, banking department, to assistant vice presidents. Martha T. Russell, formerly assistant vice president, Valley National, Phoenix, has joined Harris Trust as as-



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Little Rock, Arkansas
J. E. WOMELDORFF, Executive Vice President

■ ROBERT M. TYLUTKI, formerly vice president, La Grange State, has joined State Bank of Countryside as president. He joined his former bank in 1965 and prior to that had been with National Boulevard Bank, Chicago.

■ GLADSTONE-NORWOOD TRUST, in less than five months of operation, has surpassed \$5 million in total resources. The present figure is \$5,032,000, while total deposits are \$3,070,000. Plans for the bank's permanent building are nearly complete and ground-breaking ceremonies have been planned.

■ ROGER D. BOWERS has joined United Bank of Rockford as executive vice president, going there from United Bank of Illinois, Rockford, an affiliate. He joined his previous bank in 1969 and had served as assistant vice president and manager of dealer relationships and dealer paper, direct loan customers and general departmental operations in the retail services department.

■ JAMES V. TOSTO, executive vice president, has been elevated to president of Main Bank, Chicago, succeeding Sidney J. Taylor, who remains chairman and CEO. Messrs. Tosto and Taylor joined the bank's predecessor, Main State, in 1946. Mr. Tosto was named executive vice president in 1965, while Mr. Taylor advanced to president in 1960. He has held the title of chairman since purchasing the bank in 1969.

■ HARRIS BANK, Chicago, has announced the following promotions: Rolland S. Carlson, group executive in charge of metropolitan banking, and F. Wendell Gooch, group executive in charge of corporate services, trust department—to senior vice presidents; William J. DeVerna, international banking division—to vice president; and John M. Chieppa and Ronald M. Beacon, banking and trust departments, respectively—to assistant vice presidents. Edward J. Williams, assistant vice president, has been named division administrator, convenience banking. He will be responsible for the area that handles most of the bank's consumer business.

■ NORTHERN TRUST, Chicago, has announced the following promotions: to second vice presidents, Edgar G. Adam and Kenneth C. Quarfoot, financial management department, and Thomas H. Lueck, administration department; Charles E. B. Jessopp, to advertising and sales promotion division manager; Sue A. Rageas, to public relations division manager; and Betty S. Arlart, to assistant manager, financial management department.

Safe Deposit Ruling Instated

CHICAGO—Banks and other financial institutions in Illinois may no longer open safe deposit boxes without either written permission of the director of the Illinois Department of Financial Institutions or personal supervision of the box opening by the director or his representative.

That new ruling was announced by Department Director A. T. Tsoumas. The ruling is intended to protect people whose safe deposit boxes are opened for nonpayment of box rental.

The rule also requires that Director Tsoumas be notified 10 days prior to the opening, should his presence be necessary. Previously, standard practice was for financial institutions to drill open a safe deposit box or safekeeping repository in the presence of two employees without the consent or presence of any state agency or office. The contents then would be kept in the institution's possession until claimed by the owner or until designated as abandoned property.

The new rule has been added to the Uniform Disposition of Unclaimed Property Act, Chapter 141, Illinois Revised Statutes, and became effective May 3. Mr. Tsoumas estimated that the department will supervise the openings of 15,000 deposit boxes during the rest of the year.

■ VERNON S. "TEX" HOESCH, founder, chairman and CEO, First Ogden Corp., Naperville, has resigned. He has been succeeded by Joseph M. Quigley, financial vice president and secretary, Northern Illinois Gas, until First Ogden's board appoints a permanent successor. Mr. Quigley formerly was vice chairman. Mr. Hoesch, who serves as director of 16 First Ogden client banks, left to devote more time to his family. He entered banking at Harris Trust, Chicago, in 1948, going to Naperville National three years later. He served as administrative assistant to the Illinois Bankers Association, 1955-56, and organized Bank of Naperville in 1957. Mr. Hoesch advanced to president there prior to forming First Ogden in 1970.

■ JOSEPH D. BARNETTE JR. has been elected president and CEO, Lake View Bank, Chicago, succeeding Robert P. Kline, who resigned recently. Mr. Barnette formerly was president and CEO, First National, Evanston, which he joined in 1969. Prior to that, he was with American Fletcher National, Indianapolis. He is treasurer, Region 1, Association for Modern Banking in Illinois.

Donald O'Toole Retires



Donald O'Toole (l.) is joined by Walter E. Ehrmann, ch., Heritage/Pullman Bank, Chicago, during the former's retirement party. Mr. O'Toole was ch., Heritage Bancorp., Evergreen Park, and several Heritage banks. He entered banking in 1946 as v.p., Pullman Bank, Chicago, and later organized Heritage/Standard Bank, Evergreen Park, and Heritage/Glenwood Bank. He acquired interest in Heritage/County Bank, Blue Island; Heritage First National of Lockport; and Heritage Olympia Bank, Chicago Heights. Mr. O'Toole also organized Heritage Bancorp. He will be active as a financial consultant to business.

■ ORRIN H. DUNCAN, formerly assistant vice president, Bank of Naperville, has joined First Security Bank, Addison, as vice president and cashier. He will supervise all areas of lending and operations.

Indiana

■ RAYMOND E. SKELTON, assistant vice president, has been named to the newly created position of regional manager, branch banks administration, at Indiana National, Indianapolis. He joined the bank in 1970.

■ IRWIN UNION BANK, Columbus, has announced the following promotions: John H. Cragoe, to vice president-finance; Ted J. Blank, to assistant vice president-farm loans; Karen S. Coldiron, to assistant vice president-operations; James E. Meese, to assistant vice president-commercial loans; Catherine W. Chinn, to assistant trust officer-tax supervisor, trust division; Hollie W. Greathouse, to loan officer-diversified financing; and William B. McNeely, to operations officer.

■ PATRICK E. McNARNY, formerly senior vice president, First National, Evanston, Ill., has joined National Bank of Logansport as president and CEO. His appointment fills the vacancy created by the death last November 15 of James P. Coplen. Prior to his service with the bank in Evanston, Mr. McNarny had been with banks in Indianapolis, Kankakee, Ill., and Chicago. In addition, two new directors have been elected at National of Logansport: Edward J. Sydor, general manager, National Friction, and James E. Kitchell of the Jim Kitchell Agency.

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board should . . . police itself (and) openly discuss factors involving conflicts." That quote illustrates one of many overlooked points of bank board membership that are examined in this book by Dr. Lewis E. Davids, Editor, The BANK BOARD Letter. Director relationships with the HC, CPAs, legal counsel, stockholders, correspondents and advisory boards are covered. Includes models, exhibits.

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Could be most helpful to banks contemplating the election of a woman or women to the board. Survey results from women directors across the country show how they view their relationships to other directors of their banks, what they feel are

their relationships to men and women staff members of the institution, frustrations and delights encountered in board service and what they see as today's major banking problems. By A. Ruth Davids, Senior Research Associate, with Dr. Lewis E. Davids, Editor, The BANK BOARD Letter.

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Since introduction of the Keogh Act (H.R.10), many small firms and self-employed individuals have established pension trusts, so the number of banks adding trust functions has increased substantially. Directors of banks with new trust departments or newly elected directors of banks

with established trust functions often aren't fully conversant with direction of trust activities. They will find this book, by Dr. Lewis E. Davids, Editor, The BANK BOARD Letter, to be a valuable aid. It delineates trust department examinations, policies. Includes Comptroller's Regulation 9, covering fiduciary powers of national banks, collective investment funds and disclosure of trust department assets.

Behind Board Room Doors.
\$6.00

Dr. Lewis E. Davids, Editor, The BANK BOARD Letter, provides insights to fine points of bank board membership. Sample chapter topics: CEO selection, reimbursement; management audits; finding customers; board minutes; director fees, retainers. Typical paragraph: "The chairman . . . receiving an examination report,

verbally briefs the board on its contents, not permitting each to . . . review it in its entirety. A top bank supervisor told me of an instance (where) a bank director demanded to see the report. He saw it, but only after the CEO had removed pages containing the examiner's comments and conclusions and violations of law and regulations. Fortunately, the director had the foresight to note the missing page numbers."

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Merchants Plaza Is Topped Out



Merchants Plaza, the new headquarters for Merchants National, Indianapolis, has been topped out. Included in the project is a 20-story Hyatt Regency Hotel, twin 15-story office buildings and underground parking. The bank will occupy more than 200,000 square feet of space in the project when it is completed, probably in June, 1977. Groundbreaking ceremonies for the Plaza were held in October, 1974, and the project reportedly is the largest commercial undertaking in the state.

■ MALCOLM B. "BURT" KING has been appointed marketing director of Old National, Evansville.

Kansas

■ NORTHGATE NATIONAL, Hutchinson, has broken ground for an addition to its facility at 601 East 30th which will increase its size by 3,000 square feet of space. The project will double the facility's vault area; drive-up services will be moved and pneumatic tubes eliminated. Completion is slated for early 1977.

1st NB, St. John, Opens New HQ



The new headquarters building of First Nat'l, St. John, has opened. As part of the first-day ceremonies, an open house was held with all area residents invited.

Kentucky

■ POWELL COUNTY BANK, Stanton, has opened its new building. The ribbon used in the opening ceremonies was made of 20 \$10 bills and was presented to the Desi Scott Children's Home. The building is of steel and pre-stressed exposed aggregate concrete panels interspersed with smoked insulating glass. It has 17,500 square feet of space and furnishings follow a red, white and blue theme. After the opening ceremonies, the public was invited to tour the building and at day's end, a drawing was held for two color TVs, washer, range, stereo, refrigerator, several portable radios and stuffed toys.

■ NEW FARMERS NATIONAL, Glasgow, has named Jack London vice president and manager, Hiseville Banking Center, and Sandra Terry Ross, assistant vice president and assistant manager of the center. Both had been with Hiseville Deposit Bank, which was merged recently into New Farmers National. Carolyn Strader, who was assistant cashier at Hiseville, also was named assistant cashier at New Farmers National.

■ JAMES E. HATHAWAY has advanced from assistant vice president and security officer to vice president and security officer of Citizens Fidelity, Louisville. John P. Kopple, assistant cashier, time credit, has been elected assistant vice president. Mr. Hathaway joined the bank in 1971 after 30 years with the FBI, while Mr. Kopple joined the bank in 1967.

■ KENTUCKY NATIONAL CORP., Louisville, has announced these promotions in the branches: Paul E. Newton, Charles F. Mercer and H. David Simon, from assistant banking officers to banking officers, and Thomas R. Snyder, Larry T. Reardon and Thomas A. Ford, to assistant banking officers.

■ STEVEN A. Mills has been promoted from assistant trust officer to trust officer at Citizens Fidelity Bank, Louisville. Leonard A. Watkins, manager, 23rd and Broadway Banking Center, has been named assistant cashier and manager.

Balloon Race Is No Bust



As part of the festivities during the week prior to the Kentucky Derby, Liberty Nat'l, Louisville, sponsored an entry in the Fourth Annual Kentucky Derby Balloon Race. The race was no bust; 25 balloons competed and 20,000 people were on hand at the launch site. Several hundred thousand people were able to observe the race, which covered a course approximately 20 miles across Louisville.

■ J. CLIFTON STILZ JR., formerly vice president and trust officer, Winchester Bank, has joined Montgomery National, Mt. Sterling, as executive vice president and CEO. Montgomery National also has announced the promotions of Edward O. Crooks and Joe A. Evans Jr. to senior vice presidents. Mr. Crooks formerly was executive vice president and Mr. Evans, vice president and cashier.

Louisiana

■ GUARANTY BANK, Alexandria, has named K. Kirk Domingos III and Carl Hartzog senior vice presidents. Mr. Domingos joined the bank in 1975, while Mr. Hartzog formerly was vice president and senior lending officer, Charter Bankshares Corp., Jacksonville, Fla. Guaranty Bank's internal organization has been restructured, with the majority of all banking functions coordinated through the newly formed general banking group and the lending group. Mr. Domingos will head the former, while Mr. Hartzog will oversee the latter.

■ JOSEPH N. TRAIGLE, formerly Louisiana commissioner of revenue, has been elected senior executive vice president, American Bank, Baton Rouge.

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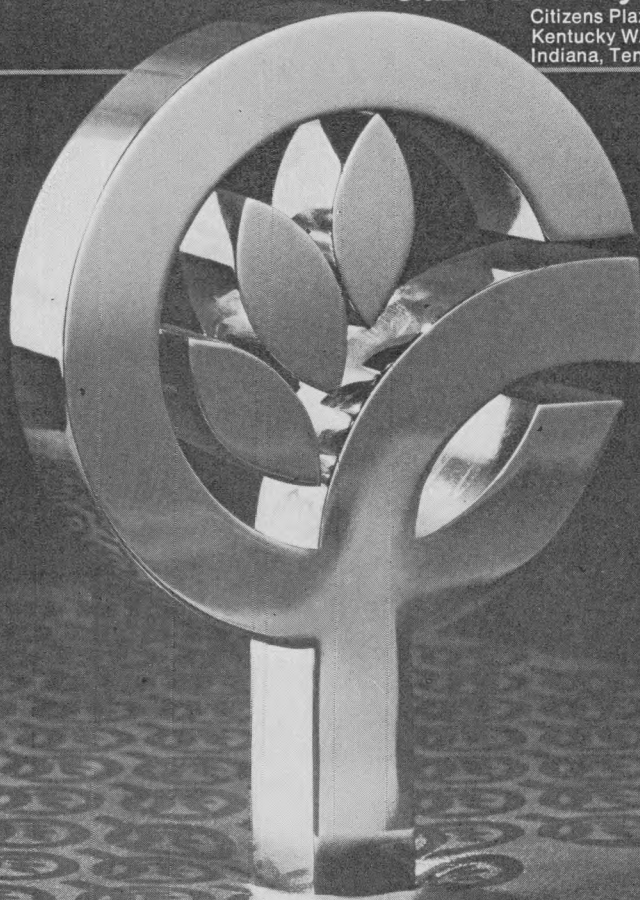
Last year alone, the correspondent professionals of Citizens Fidelity Bank logged nearly 200,000 miles while making over 1,700 calls to bankers throughout the Southeast and Midwest. This commitment to personal service is one reason Citizens Fidelity ranks in the top 25 of all correspondent banks in the nation. Another reason is the development of an interdepartmental structure that extended to banks over \$80 million in credit and leases,

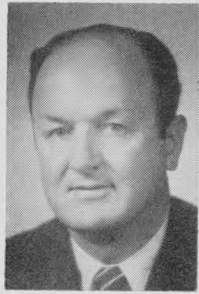
held over \$1 billion worth of securities in safekeeping, and handled over \$500 billion worth of federal funds for our correspondents. For information on Citizens Fidelity's experience in these and other correspondent areas including cash management, EDP, and credit card operations, call Bob Aldridge or any member of his staff. They'll help you make your mark, too. Come grow with us[®] . . . under the Sign of the Service Tree.



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NALTY



GIBBONS

■ DONALD J. NALTY has been named vice chairman of Hibernia National, New Orleans, while Richard A. McNeece has been promoted to executive vice president. E. J. Kafoed, executive vice president and secretary of the bank and secretary of the HC, Hibernia Corp., New Orleans, has been elected an HC and bank director.

■ RUSSELL F. HAAS has been elected president, Guaranty Bank, Gretna, advancing from executive vice president. He succeeds the late Charles A. Hendricks Jr. Mr. Haas joined the bank in 1955 as a bookkeeping department clerk, advancing to executive vice president and director in 1971.

■ BOSSIER BANK, Bossier City, has elected the following as directors: Gladys Hendrick, Shreveport, reportedly the area's first woman director; Ben F. Barnes of Brownwood, Tex., a former Texas lieutenant governor; and James M. George of Poplarville, Miss., owner of several oil-industry-related companies.

Mississippi

■ JOHN D. GIBBONS has rejoined Deposit Guaranty National, Jackson, as vice president, investment division. He will have responsibility in the U. S. government and agency bonds department. Ed M. Keeton has been elected assistant vice president, regional department, corporate banking division.

■ STEWART M. BRUMFIELD has been promoted to executive vice president at Bank of Greenwood, branch of First National, Jackson. He has been there six years.

■ MATTHEW L. HOLLEMAN III has been promoted to assistant vice president, First National, Jackson, while John W. Head, executive vice president, Southern Farm Bureau Casualty Insurance Co., has been named a director of the bank and its parent HC, First Capitol Corp., Jackson.

Missouri

■ PATRICIA BARTSOKAS, assistant vice president-marketing, First National, Belleville, Ill., has been elected chairman, Metropolitan St. Louis Group, National Association of Bank-Women Inc. Other officers are: vice chairman, Emma Scholl, vice president, Florissant (Mo.) Bank; secretary, Barbara Shaffer, trust operations officer, First National, Alton; and treasurer, Elaine Colter, assistant cashier, Lewis & Clark Mercantile Bank, St. Louis County.

■ DELBERT L. JAMES has been elected senior vice president and cashier of First National, Kansas City. He formerly was vice president and cashier and serves as board secretary.

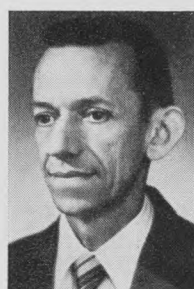
■ CLARENCE A. SEHRT has been promoted to vice president, Mercantile Trust, St. Louis. He has administrative responsibility for the proof, transit, bookkeeping and analysis divisions. Named assistant vice presidents were Robert W. Bloemker, Gerald E. Crodgy and William J. Lawton.

■ DON H. ALEXANDER has been appointed vice president, loan administration, Commerce Bancshares, Inc., Kansas City. He formerly was vice president in charge of the international division, Commerce Bank of Kansas City, the HC's lead bank, and continues to manage international activities at the HC. With the bank since 1966, Mr. Alexander was born in Amsterdam, the Netherlands. At the bank, Robert W. Wagstaff, president and chairman, Coca-Cola Bottling Co. of Mid-America, Inc., has been elected a director.

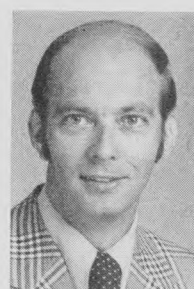
■ PAUL N. SHY, formerly vice president and national division manager, Commerce Bank of Kansas City, has joined Citizens Bank, Smithville, as president. He succeeds Dean Henriksen, who has been elected president, Laurel Bank of Platte County, Kansas City. Mr. Shy entered banking in 1970 at Commerce Bancshares, Inc., Kansas City.



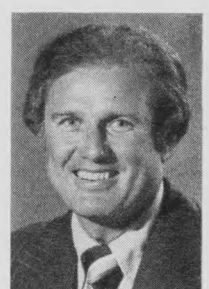
JAMES



SEHRT



ALEXANDER



SHY

Ground Broken in St. Peters



State Treas. James I. Spainhower (2nd from r.), mans shovel during ground breaking ceremonies for new headquarters of First Nat'l, St. Peters. Also participating are (from l.) Paul M. Ross, s.v.p., First Union Bancorp, St. Louis, HC for the bank; Paul Richter Jr., bank ch.; and R. Lester Whited, pres. Completion date for the \$1-million building, which will be in Cloverleaf Plaza Shopping Center, is late fall. At that time, the bank's present building will become a drive-up/walk-up facility.

■ ALBERT A. MILLER, vice president and cashier, Big Bend Bank, Webster Groves, has been elected president, St. Louis Chapter, AIB. Also named to officer positions were Michael P. Dolan, executive vice president, Plaza First National of West Port, St. Louis County—first vice president; Rosemarie Stallings, assistant vice president and trust operations officer, Edgemont Bank, East St. Louis, Ill.—second vice president; Jean Oebermann, assistant cashier, Gravois Bank, St. Louis—associate vice president; Thomas M. Noonan, vice president, St. Louis County National, Clayton—treasurer; and Joseph G. Steel, St. Louis—executive director and secretary.

■ JEROME M. GREENBLATT has been named vice president, Plaza First National of West Port, St. Louis County. He formerly was assistant vice president and heads the marketing, advertising and business development departments.

Merc Constructs Banking Center



Checking the blueprints for the South Side Banking Center of Mercantile Bank, St. Louis, are (from l.) Russell Shilt, v.p., H. B. Deal Co., building contractor; John H. Schweitzer, bank a.v.p. who will be in charge of the center; William H. Deal, pres., H. B. Deal Co.; Lynn H. Miller, bank e.v.p.; and James A. Hertzler, v.p. & treas., Interstate Supply Co., a bank customer. The center will be in the Gravois Plaza Shopping Center and will have drive-up windows and Fingertip Banking, Mercantile's EFT system.

■ DAVID J. WEST has been named vice president and data processing manager at United Missouri Bank of Kansas City. He formerly was with Northern Trust, Chicago.

■ G. LYNN MITCHELSON, executive vice president, United Missouri Bancshares, Inc., and United Missouri Bank, both of Kansas City, has been elected a director of United Missouri Bank of Warrensburg and United Missouri Bank of Boonville. The three banks are affiliates of the HC. At United Missouri of Warrensburg, Thomas A. Hill has been named vice president. He formerly was with another affiliate, United Missouri of Hickman Mills, Kansas City.

Robidoux Center Is Bank HQ



Robidoux Center is the name chosen for the new headquarters building of American Nat'l, St. Joseph. The structure will house the bank and outside tenants and will be located on the site of the former Robidoux Hotel. The building will be eight to 10 stories tall and American Nat'l will occupy four or five of its floors plus a main banking lobby which will be connected to the main office tower by an atrium. The bank will take up about 55,000 square feet of space in the structure. Completion date has been set for January 1, 1978.

■ RUDY J. STRETESKY, formerly executive vice president, Washington County Mercantile Bank, Potosi, has been elected president, following the death of Sam Richeson, who was president and chairman.

■ SHAREHOLDERS of First Union, Inc., St. Louis, have approved a name change to First Union Bancorp. The change was proposed to provide greater identification of the HC as a banking organization.

■ LEMAY BANK at Oakville has opened in temporary quarters at Telegraph Road and Baumgartner in south St. Louis County. Construction of a permanent building at the same site is expected to begin soon.

■ FIRST NATIONAL, St. Louis, has named David A. Dierks, regional banking division, and Keith R. Krieg, commercial banking division, as vice presidents.

New Mexico

■ CONTROLLING INTEREST in Bank of Santa Fe has been purchased by a group of 17 Santa Fe and Albuquerque businessmen headed by Ralph Petty Jr., bank president. Seventy percent of the bank's stock was obtained for an undisclosed price. The purchase was made from a group of 10 persons associated with Bank Securities Inc. HC. Included in the group of purchasers are Jerry Henson, executive vice president and trust officer, Abe Silver Jr., chairman, and Phillip G. Levitt, an attorney who will serve as the bank's senior vice president. It was announced that a new board and chairman would be elected.

■ RONN HAGAR, assistant vice president in charge of the loan and discount department of the Main Branch of First National of Lea County, Hobbs, has advanced to vice president and loan review officer.

■ RIO GRANDE VALLEY BANK, Albuquerque, has opened its new Main Office at 501 Tijeras Avenue N. W. Said to be the only all-glass building in the city, the bank features a contemporary interior of woods-and-earth colors. The structure has 28,000 square feet of space, of which the bank will occupy 10,000 square feet. Drive-up banking facilities are located on its north side.

■ JOSEPH H. BADAL has rejoined First National, Albuquerque, as vice president, banking relations department. He originally joined the bank in 1973. For the past year, he had served



DIERKS



WHEAT

as vice president in charge of dues and membership for the Association of Commerce & Industry. Mr. Badal will travel throughout the country assuming responsibility for national accounts of the bank.

Oklahoma

■ WILLIS J. WHEAT, senior vice president-marketing, Liberty National, Oklahoma City, has been named Executive of the Year by the Oklahoma City chapter of the Society for Advancement of Management. The award is based on an individual's leadership within his or her organization and contribution to management excellence within the community. Mr. Wheat has been with Liberty National since 1964 and is responsible for the creation and implementation of its local, national and international marketing programs.

■ DAN LITTLE has been elected a director of Madill Bank. He is a local attorney.

■ LEE WALL has advanced from assistant vice president to vice president at City National, Lawton, while Glydell "Bud" Pawless has joined the bank as assistant vice president, installment loan department. Henry Sabine has been named collection officer. Mr. Pawless is president, Southwest Oklahoma Chapter, American Institute of Banking.

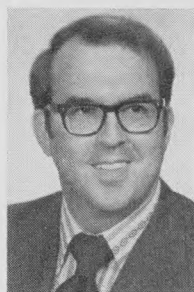
■ WAYNE D. GEIST, formerly vice president and agri-services officer, Home National, Eureka, Kan., has joined First National, Tulsa, as assistant vice president, agribusiness section. He will work as an account representative in agribusiness and will assist the regional banking section in agricultural matters.

■ WILLIAM T. SPERRY has advanced to vice president and trust officer at Fourth National, Tulsa. He specializes in pension and profit sharing and employee benefit programs.

■ JAMES W. BRUCE JR., senior vice president, Liberty National, Oklahoma



TILLEY



BRADSHAW



BUSH



GALLMAN



CLARKE



MASON

City, has been named senior vice president and secretary for the bank and its parent HC, Liberty National Corp., Oklahoma City. At the bank, Walter E. Sloan Jr. has been elected vice president, while H. Eddie Beuchaw has been promoted to assistant vice president.

■ JAMES E. TILLEY has joined Fidelity Bank, Oklahoma City, as vice president, to serve as a loan review officer in the commercial credit and collateral department. He formerly was with the FDIC, in Oklahoma City under the Dallas Regional Office.

■ FIRST NATIONAL, Oklahoma City, has promoted Ronald E. Bradshaw, real estate division head, James L. Bush, energy division head, and David E. Gallman, national accounts department head, from vice presidents to senior vice presidents.

Tennessee

■ BRUCE E. CAMPBELL JR. has been named chairman, president and CEO, National Bank of Commerce, Memphis, following the resignation of Wayne W. Pyeatt, the former chairman and CEO. He also has been elected a director of United Tennessee Bancshares Corp., HC that owns the bank. Mr. Campbell joined the bank in 1967 and advanced to president and chief administrative officer in 1974. Prior to 1967, he was with Trust Co. of Georgia, Atlanta.

■ WILLIAM H. LOVELL III has advanced to senior vice president and installment lending division manager at C & I Bank, Memphis. He joined the bank in 1967 and is president of the Memphis Consumer Finance Exchange.

■ RICHARD A. CLARKE, senior vice president, First Tennessee National, Chattanooga, has been named correspondent department manager. He formerly was installment loan department manager. Mr. Clarke joined the bank in 1950 as a teller, advancing to senior vice president 10 years later.

Texas

■ BANK OF THE SOUTHWEST, Houston, has announced that James A. Flynn and Paul D. Lester have joined the bank as vice presidents. Mr. Flynn, who has commercial loan responsibilities, formerly was assistant vice president and commercial loan officer with Manufacturers Hanover Trust, New York City, while Mr. Lester, who is

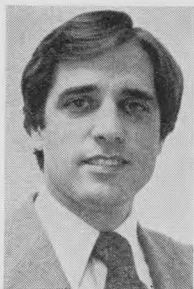
Bank of the Southwest's Latin American area representative with the international banking division's credit and international relations department, previously was international division manager, Citibank, New York City. At Bank of the Southwest, James W. Foster has been promoted to accounting officer and William Griffin III has been named international officer.

■ PAUL MASON, chairman and CEO, First National, Fort Worth, has been elected to the additional post of president, following the resignation of Karl T. Butz Jr. Mr. Butz has joined Mercantile National of Dallas as president.

■ FIRST CITY NATIONAL, El Paso, has promoted Stephen H. McDuffee and William B. Ramage to assistant cashiers in the credit department.

■ JACK L. WHITT has joined First City Bancorp. of Texas, Inc., Houston, as vice president. He will have responsibility for liaison with Houston-area member banks. He formerly was president of one of those institutions, City Bank-Inwood Forest.

■ TONY F. PEREZ has been elected president and CEO, Pan American National, Dallas. He formerly was vice president, Gulf Freeway National, Houston.



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Sam D. Young Sr. (c.), ch., El Paso Nat'l, receives a plaque from John J. Thiebauth (l.), v.p., Mercantile Bank, St. Louis, commemorating the 50th anniversary of the opening of the El Paso bank's correspondent account with Mercantile (the actual date was December, 1925). Looking on is Athan Mertis, also v.p., Mercantile. The presentation was made during the 1976 convention of the Texas Bankers Association in El Paso. Mr. Young told Messrs. Thiebauth and Mertis that he personally opened the account with Mercantile's half a century ago.



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MID-CONTINENT BANKER for July, 1976

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Awarding traveling cup to R. J. Anderson, v.p., Planters State, Salina, Kan., at recent golf party at American Nat'l, St. Joe, is Larry Morrow (r.), a.v.p. At l. is host Don Folks, s.v.p., American Nat'l.

Weather Holds Good for 25th Year For American Nat'l, St. Joe, Golf Party

THE PEOPLE at American National, St. Joseph, Mo., always luck out when it comes to fine weather for the bank's annual golf party for correspondent customers from Missouri, Kansas, Nebraska and Iowa.

The 25th annual event was held at the St. Joseph Country Club in May this year, instead of June, and the weather was better than ever. (Last year's event in June was almost washed out due to early morning showers.)

Taking honors for the day were Thomas G. Ruth, assistant vice president Cameron (Mo.) State, whose 300-yard drive was judged best of the day; Darel D. Franklin, president, Citizens State, Seneca, Kan., whose ball came closest to the pin on the 13th

hole; Litton E. Tye, assistant secretary, Trenton (Mo.) Trust, who had the fewest putts for the day (at 28); and R. C. King, executive vice president, Planters State, Salina, Kan., whose three birdies were judged best in that category.

Best all-around players were Ted G. Robinson, vice president, Nodaway Valley Bank, Maryville, Mo., whose 79 was third low gross; Bob J. Anderson, vice president, Planters State, Salina, Kan. (a bank full of good golfers!), who took the traveling cup with the second low gross of 78 because the low gross of 77 was recorded by a non-banker, Henry Williams, director, United Missouri Bank, Brookfield. • •



Standing, (from l.) W. F. Enright Jr., e.v.p., host bank; Robert W. Horner, e.v.p., and E. B. Wright, ch., both of Drivers & Merchants, St. Joseph. Seated: Wilson E. Talmadge (l.), v.p., Farmers State, Stanberry, Mo., and Robert V. Alldredge, a.c., Exchange Bank, Fairfax, Mo.

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