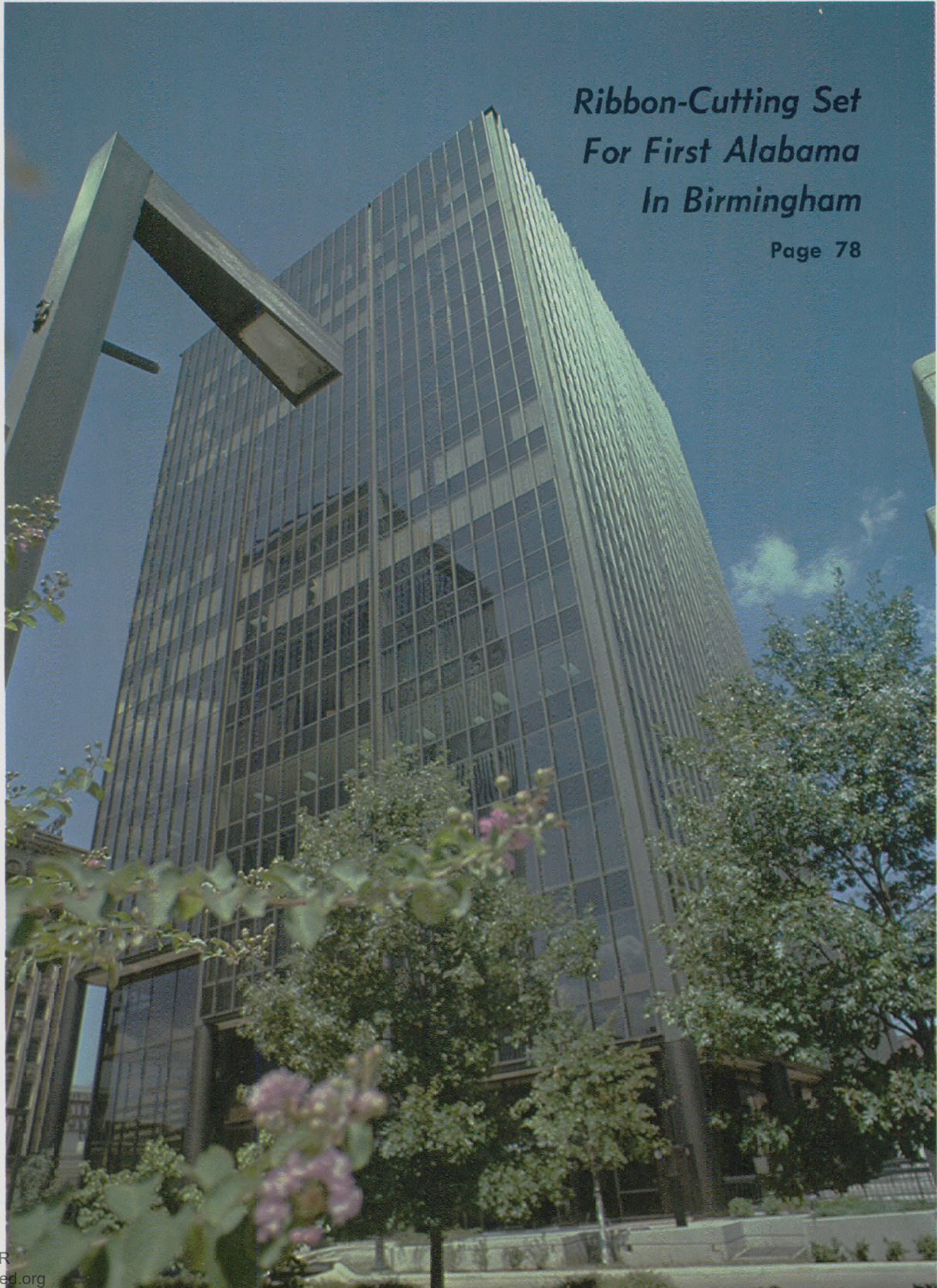


MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

BANK MODERNIZATION ISSUE

OCTOBER, 1976



*Ribbon-Cutting Set
For First Alabama
In Birmingham*

Page 78

Total Electronic Banking Convenience— right in the customer's neighborhood is coming soon.

- 1. CHECKING ACCOUNT DEPOSITS & WITHDRAWALS
- 2. SAVINGS ACCOUNT DEPOSITS & WITHDRAWALS
- 3. TRANSFER FUNDS BETWEEN CHECKING & SAVINGS



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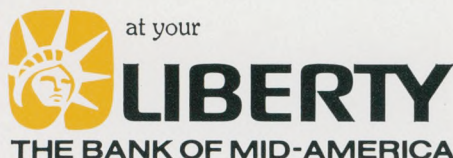
- American National Bank
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Midwest City
- Choctaw State Bank
23rd & Harper
Choctaw
- Citizens National Bank & Trust Co.
N. W. 23rd & Classen Blvd.
Oklahoma City
- Del State Bank
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Del City
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Moore
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100 Broadway
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- Medical Center State Bank
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- Security Bank & Trust Co.
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Moore
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The Village
- 4621 Windsor Mall
Oklahoma City
- 3025 S. E. 44
Oklahoma City
- 4273 N. W. 63
Oklahoma City

First NBC and New Orleans in 1831:

The city was lit by
250 kerosene lamps,

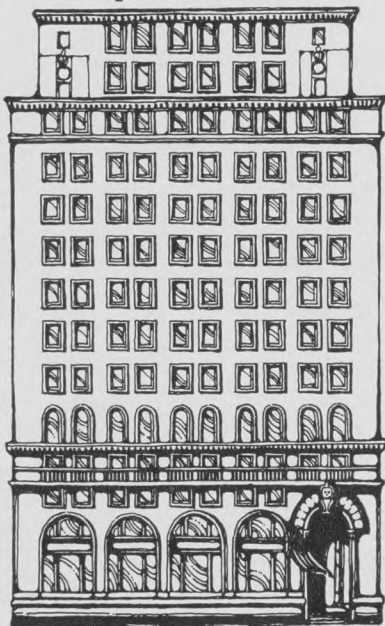


boasted a population of 52,275



and had the beginnings of its
first Improvement Bank.

In 1831 New Orleans was a rapidly growing city constantly needing improvements. One of the vital improvements made at this time was the basis for the founding of a new bank, the New Orleans Canal and Banking Company, the ancestor of the First National Bank of Commerce. The Act of the Louisiana State Legislature that created the New Orleans Canal and Banking Company stated that, in addition to its normal banking activities, the Bank had the purpose of constructing a much needed canal from above Poydras Street to



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Convention Calendar

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Volume 72, No. 11

October, 1976

October

- 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 Beach, 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.

November

- Nov. 3-5: ABA International Foreign Exchange Conference, New York City, Waldorf Astoria Hotel.
- Nov. 3-5: Bank Administration Institute Financial Accounting & Reporting Seminar, Dallas, Marriott Hotel.
- Nov. 4-7: Assembly for Bank Directors, Pinehurst, N. C., Pinehurst Hotel & Country Club.
- Nov. 7-10: ABA Correspondent Banking Conference, Dallas, Fairmont Hotel.
- Nov. 7-10: Independent Bankers Association of America Bank Ownership Seminar/Workshop, Phoenix, Ariz., Biltmore Hotel.
- Nov. 7-12: ABA National Personnel School, Memphis, Hyatt Regency Hotel.
- Nov. 7-19: ABA National Commercial Lending School, Norman, Okla., University of Oklahoma.
- Nov. 8-10: Bank Administration Institute Determining EDP Job Costs, Boston, Colonnade Hotel.
- Nov. 10-12: ABA Mid-Continent Trust Conference, Cincinnati, Stouffer's Cincinnati Inn.
- Nov. 10-12: Bank Administration Institute Bank HC Administration Seminar, Park Ridge, Ill., BAI Headquarters.
- Nov. 10-12: Association of Bank HCs Fall Meeting, Carefree, Ariz., Carefree Inn.
- Nov. 13-17: Bank Administration Institute Forum for Presidents of Not-So-Small Community Banks, Phoenix, Ariz., Biltmore Hotel.
- Nov. 14-17: ABA National Agricultural & Rural Affairs Conference, New Orleans, New Orleans Marriott.
- Nov. 17-19: Bank Administration Institute Float Management Seminar, Key Biscayne, Fla., Sonesta Beach Hotel.
- Nov. 18-19: Robert Morris Associates Lending to Banks & Bank HCs Workshop, Boston, Copley Plaza Hotel.
- Nov. 28-Dec. 1: Bank Marketing Association Trust Marketing Workshop, Houston, Shamrock Hilton Hotel.
- Nov. 30-Dec. 3: Bank Administration Institute Trust Operations Short Course, Park Ridge, Ill., BAI Headquarters.

December

- Dec. 8-10: Bank Administration Institute Organization Development Seminar, Park Ridge, Ill., BAI Headquarters.

February

- Feb. 3-6: Assembly for Bank Directors, Mexico City, El Camino Real.
- Feb. 6-9: ABA National Trust Conference, New Orleans, Fairmont-Roosevelt Hotel.
- Feb. 6-9: ABA I&PD Risk and Insurance Management in Banking Seminar, Tucson, Doubletree Inn.
- Feb. 6-18: ABA National Installment Credit School, Norman, Okla., University of Oklahoma.
- Feb. 13-15: ABA Bank Investment Conference, Atlanta, Peachtree Plaza Hotel.
- Feb. 14-16: ABA Bank Telecommunications Workshop, Atlanta, Omni International Hotel.
- Feb. 15-18: ABA Conference for Branch Administrators, Atlanta, Fairmont Hotel.
- Feb. 20-26: ABA Operations/Automation Div. Business of Banking School, Fort Worth, American Airlines Learning Center.
- Feb. 27-March 1: ABA National Credit Conference, Chicago, Palmer House Hotel.

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The Banking Scene

By Dr. Lewis E. Davids

Hill Professor of Bank Management,
University of Missouri, Columbia

Public Funds Don't Fatten the Purse!

BANKING FACES a very sensitive problem, that of the amounts of public funds in the commercial banking system. Consumerists such as Ralph Nader are likely to view federal, state and municipal deposits as a form of benefit to "fat-cat" bankers.

But the typical institution has *not* grown fat on these funds despite the recent U. S. Treasury study that concluded that the banks did obtain more benefits from such accounts than their costs. That finding, as a matter of fact, reversed all previous Treasury studies on the subject.

Governmental agencies often are restricted by the parameters set for studies: assumptions; use of cost data of, for instance, an incremental nature rather than a functional or standard cost basis; or use of historically high interest rates for computing rates of return, rather than interest rates that have been averaged over a period of time. Another restrictive feature is the underestimation of the upward trend of bank costs in nearly all areas.

And I think we can expect more studies having findings that are adverse to banking. Why? The composition of both the House and Senate Banking committees can't be considered pro-banking or even neutral. There is, I feel, a distinctly pro-credit-union and -S&L bias. It's likely that the situation will worsen.

Therefore, bankers must gird their loins in preparation for increased criticism against balances of public agencies in banks. It also is incumbent on bankers to have well-thought-out and accurate rebuttals ready to meet "consumerist" charges of windfall profits resulting from the allegedly less-than-arms-length dealings among bankers and treasurers or finance officers of public bodies.

I've never known a bank's management to be overly concerned about a large volume or proportion of public funds on deposit. "The more, the bet-

ter" has been the attitude. One hardly can fault banks for aggressively soliciting and obtaining accounts of businesses, individuals, corporations or public bodies, yet at some point, some banks may become quite vulnerable to a change in public-agency policy regarding deposits or investments of funds. This could mean movement of funds to other banks or, more likely, to other financial intermediaries.

Let's look at some interesting figures. The July, 1976, issue of the *Federal Reserve Bulletin* showed that of \$782,-860,000,000 on deposit in commercial banks last June 30, U. S. Government demand deposits stood at \$4,650,000,-000 and had gone as low as \$2,430,000,-000 on the previous March 31. U. S. Government time deposits, by extrapolation of data, amounted to \$500-600 million.

" . . . I think we can expect more (government) studies having findings that are adverse to banking. Why? The composition of both the House and Senate Banking committees can't be considered pro-banking or even neutral."

At that time, figures for states and for political subdivisions for all commercial banks showed demand deposits of \$18,726,000,000 and time and savings deposits of \$48,113,000,000. That was when total demand deposits for all commercial banks were \$323,-617,000,000 and total time and savings deposits stood at \$462,915,000,000.

The concerned banker may find it interesting to work out figures for his own bank to see if it had an average share of such accounts. Theoretically, half the banks in this country would have more than an average amount, while half would have less than the average, if such deposits were distributed evenly.

Fed funds vary by bank classification: A, B or C. Such funds also vary by the amount of time they're left in those three classes of banks. Public

funds of states and municipalities vary even more dramatically from state to state and from political body to political body.

Other variants are factors such as state banking codes—whether a code permits S&Ls, individually or collectively, to bid competitively for the public funds.

To a lesser degree, collateralization requirements for public funds vary considerably from state to state. In many states, those requirements actually reduce a recipient bank's lending base. That's because a higher proportion (110 or 120%, for example) of the deposit must be secured with eligible investment-grade securities.

Let's try an experiment. Jot down a percentage on a piece of paper; let that figure represent the proportion of public funds of time and demand de-

posits that you would feel comfortable for your bank to have.

According to FDIC figures, more than 100 banks in the U. S. on December 31, 1975, had over 40% of total demand deposits attributable to state and local bodies! The highest had an astounding 92.68%, and at least 15 institutions had totals in excess of 60%!

Time and savings deposits of state and local governmental bodies are between two and three times their demand deposits. Also, U. S. Treasury policy has been to work down their balances with banks; and state and local treasurers have been under similar pressures.

While a number of the above-mentioned 100 banks were rather modest in size, and thus more vulnerable, a significant number had over \$100 million in total demand deposits, and one



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 **UNITED MISSOURI BANK OF KANSAS CITY, N.A.**

MID-CONTINENT BANKER for October, 1976

"The Office of the Comptroller of the Currency, which supposedly is nonpolitical and professional, has become subject—as the political infighting over the nomination of a successor to former Comptroller of the Currency James E. Smith clearly indicates—to undesirable political pressures."

had in excess of a half-billion dollars in demand deposits.

Such compilations increasingly are being called for by bank regulators and the House and Senate Banking committees. In past years, much of this kind of information wasn't released or available, but the FDIC's powerful computers now can retrieve almost any relationship on call reports or reports of examination.

The Office of the Comptroller of the Currency, which supposedly is nonpolitical and professional, has become subject—as the political infighting over the nomination of a successor to former Comptroller of the Currency James E. Smith clearly indicates—to undesirable political pressures. It's doubtful whether true professionals of the caliber of Comptroller-of-the-Currency-nominee Stanley Shirk would be willing to serve or be a candidate for the office. Non-professionals having political ties will willingly join the "sunshine" movement

of fuller disclosure.

Some disclosure is in the public's interest, as seen in statistical printouts of the regulators. It behooves not only banks with abnormal liability proportions, but those with normal distributions, to ponder their implications, not only to individual banks, but to a critical public that probably will misinterpret the significance of the data.

Most country bankers still favor Regulation Q. It has a significant impact on where time deposits—both public and private—will be placed in most localities. S&Ls, almost without exception, favor Q, due to their distinct advantage over commercial banks (at least in the \$40,000-and-under categories: those institutions are able to "broker" public funds in amounts in excess of \$40,000 and have those amounts totally insured by federal agencies).

Governmental and academic observers of banking increasingly agree that

'Woman of Year' Joins Bank

FORT WORTH—Alann B. Sampson, this city's "Woman of the Year" and head of the town's Bicentennial Committee, has joined First National in the bank's newly created community affairs position.

According to a bank spokesman, Mrs. Sampson's appointment represents a demonstration of First National's "concern about our community's well-being. Her work," he said, "will provide valuable information for the bank's management."

it's not a question of whether Regulation Q will wither away or be repealed, the question is "when?"

That could have profound implications on whether public funds stay in individual banks or in the banking system itself. Such funds could move to market instruments or other financial intermediaries.

Will your bank be ready? • •

Mexico City To Be Site Of Assembly Feb. 3-6

MEXICO CITY—The 27th Assembly for Bank Directors of the Foundation of the Southwestern Graduate School of Banking, Southern Methodist University, Dallas, will be held here February 3-6, 1977.

Directing the Assembly will be B. Finley Vinson, Foundation chairman and chairman, First National, Little Rock; headquarters for the event will be El Camino Real Hotel.

The Assembly program will include lectures on contemporary financial developments; director organizations and functions; budgeting, planning and capital management; bank auditing and the director; and continuity and retirement standards for directors. Also covered will be regulatory procedures; legal developments, credit policy; and management selection and director-management relations.

A special program for spouses will include lectures on contributions by directors' wives, investments, trusts, developments in Mexico and Mexican crafts.

Registration for the Assembly will be limited to 250 directors and spouses and post-Assembly tours may be arranged through the Foundation. Evening programs are slated at the headquarters hotel and the Hacienda de los Morales.

For additional information, write: Dr. Richard B. Johnson, the Assemblies for Bank Directors, SMU Box 214, Dallas, TX 75275.



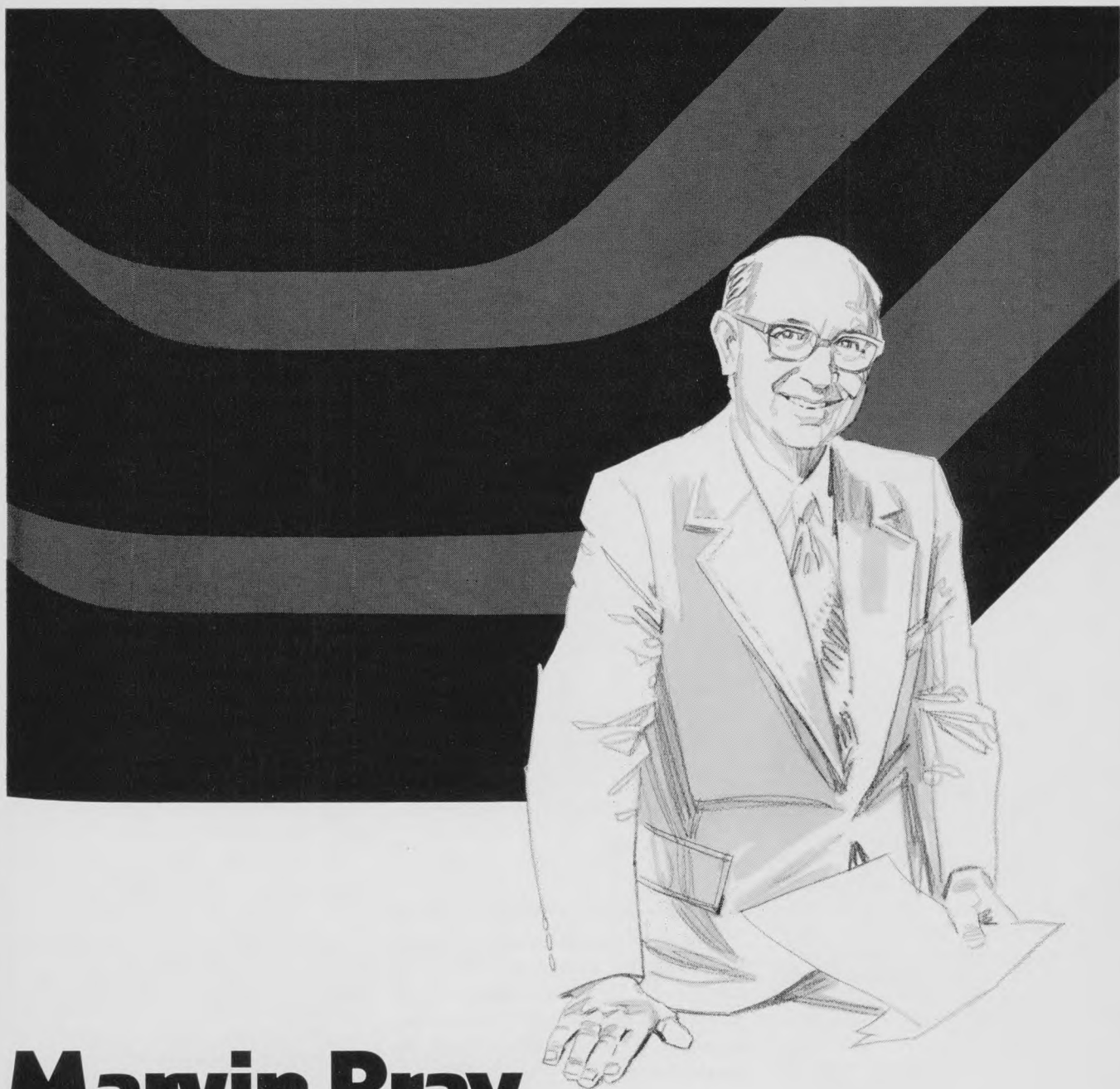
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MID-CONTINENT BANKER for October, 1976

Management Analysis Gives Strength To Faltering Bank Loan Portfolios

By **QUENTIN N. FINE**
Wargo & Co.
Milwaukee

COMPANIES are usually started by a specialized entrepreneur—salesman, engineer, inventor—rather than by a person with a balanced business background. As the company grows, so do operating problems which the specialist is ill-equipped to face. When the company reaches the \$5-million volume level, problems begin to surface.

Entrepreneurs do not make the best managers and they tend to be penurious. Consequently, they fail to maintain managerial growth at a pace equal to that of the company by overcoming their management weaknesses with qualified talents. Unless it gets managerial help, the company may well hit a plateau or start a decline.

This is where problems start for the banker who has made loans to such a company during its growth period, only to find a deteriorating situation developing. An important part of the banker's job is to recognize problems early, while something can still be done to prevent a default or a bankruptcy.

Reserves are not the answer to the problem of bad loans. Being able to spot the problems and to take early action is the only way to turn around a negative situation. Don't procrastinate until it is too late and only a salvage job remains to be done.

How can potential problems be recognized? Assume you are dealing with a company about which some indication of existing problems has been given, but you don't know exactly what they are. The banker or a professional consultant hired by him usually begins his analysis of the company on-site, where he can personally inspect the firm's personnel, facilities, operations, products and the like. This enables him to gain insight through discussions with management and other key employees.

There is no substitute for experience in knowing what to look for, knowing the correct questions to ask and possessing sound judgment when making evaluations. A number of steps should be followed when undertaking a fact-finding expedition into a problem com-

pany. Among them are these:

- Start by looking at the company's numbers. Make a three-to-five-year historical comparison of volume, cost of sales, expenses and the like, to spot significant trends. Develop the break-even points for the same years.

- Analyze the trend in cash flow. Are receivables building up with a trend toward slow pay? Are payables being strung out longer? Are withholding tax reports being filed promptly and the deposits made? Has there been a delinquency in debt payments? Note the date of the last financial statement and determine the normal time frame for its issuance after the close of an accounting period.

- Review the formal organization, pinpointing management and key people with whom to hold private discussions throughout your visit. Listen carefully to what they have to say and ferret out their thoughts as to problems and solutions, giving heed to correlating relationships in discussions with others.

"There is no substitute for experience in knowing what to look for, knowing the correct questions to ask and possessing sound judgment when making evaluations."

Draw management out as to policies, degree of forward planning, management control tools used in guiding day-to-day operations, overall knowledge of the industry, particular jobs, responsibilities and levels of authority.

Investigate the decision-making processes being followed within the company. Do they follow normal organizational lines? Are they timely and effective?

Identify management strengths and weaknesses as to functional responsibility and individual employees. Remember, most employees want to do a good job, but they will be only as good as management wants them to be.

When dealing with a company's employees, be discreet, diplomatic and tactful in order to minimize rumors,

jumpiness and any degree of uproar. Lack of these traits can be a major pitfall when examining a troubled firm.

- Familiarize yourself with the product lines and types of operations in which the company is presently engaged. Be alert for trends in the backlog, loss of major customers and efficiency in meeting delivery commitments, costly new ventures and development efforts, product test results and market research on new products.

- Tour facilities and review operations while being alert for these signs of how management is succeeding: adequate housekeeping, efficient work flow, satisfactory productivity level, minimum downtime, proper maintenance of facilities, machinery and equipment and minimum rework and scrap rate.

- Scrutinize inventories closely and look for obsolescence and determine their condition. Do they appear to be in salable condition? Can materials be used on present product lines? Are they dirty, damaged or lacking in turnover? How often do material shortages cause delays in completion of processing? Is there any serious overstocking? Are closed stores methods (check out) used to control usage, particularly of more expensive items?

- Make inquiries outside the company. Frank, confidential discussions with outside sources closely affiliated with the company can be quite helpful in corroborating opinions and securing added insight. The company's bankers, legal counsel, auditors and major creditors are potential sources.

- Avoid biased data. Too often, the banker relies primarily on information furnished by the company itself. Thus, he uses biased data on which to make his determinations. He may also place too much reliance on audited financial statements. While no aspersion is intended against public accountants, it should be understood that their work is not infallible.

To illustrate: Two banks in the Midwest had made sizable loans to a publicly held company. The banks became concerned over a sequence of happenings—in particular, the company's defaulting on its obligations. A consultant was called in to look at the situation and later to effect a turnaround in the company's operations.

The company had recently been through an audit and had been issued a clean certificate during the course of the consultant's work. Within a few weeks the problems uncovered by the consultant caused the banks to call the loan. The firm found itself in a Chapter 11 bankruptcy.

(Continued on page 98)

HOW TO SAFEGUARD YOUR DIRECTORS AND OFFICERS PERSONAL ASSETS

The Legal Assault on Executives
 Government agencies are aggressively stepping up their lawsuit against business

Officers and Directors: an Endangered Species

No doubt about it, bank directors and officers are going to court in increasing numbers to defend themselves against lawsuits brought by bank stockholders, depositors and third parties. One defense, of course, is to conduct your business in a manner which completely avoids lawsuits. Unfortunately, no bank can be certain it has the answer on how to do this. The best solution is coverage by D & O Liability Insurance through Scarborough.

A D & O Liability Insurance policy with Scarborough protects the bank's capital assets, and the bank's directors' and officers' personal assets in cases involving alleged wrongful acts while managing or directing the bank's business affairs. Coverage includes damages, judgments, and defense costs. Our free "Guidebook for Bankers" has details on coverages, exclusions, typical premium rates, and illustrative claim situations.

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Community Involvement

Cincinnati-Area Financial Institutions Aim to CURE Downtown's Problems

VACANT AND DETERIORATING buildings, congestion, lack of convenient parking, visual clutter. Sound like problems facing many of this nation's metropolitan areas, don't they? In the Cincinnati area, a group of financial institutions have banded together to alleviate some of those problems.

Covington, Ky., is part of the Cincinnati metroplex. A group of five banks, nine S&Ls and one insurance company in 1972 formed CURE—Covington Urban Redevelopment Effort—and pledged funds to carry out CURE's objectives of preservation and vitalization of the central city.

Spearheaded by Peoples Liberty Bank, the group's objectives for saving the central Covington neighborhood involves three basic strategies:

- Preservation of the business area. That includes better traffic circulation, off-street parking, a pedestrian mall and a building facade treatment designated as the Downtown Covington Old Town Plaza. At press time, this phase

of the project was nearly complete. Estimated cost is \$1.6 million, half privately and half publicly funded.

- Restoration of residential areas. City funds were provided to plan the improvements and the city and the financial institutions have initiated a financial program, estimated to cost \$1.4 million during 1976-77.

- A \$15-million redevelopment of the riverfront that includes 500 luxury housing units. Proceeds from a planned bond issue will finance this phase.

Chairman of CURE's executive committee is Ralph V. Haile, president of Peoples Liberty Bank, while David Herriman, president, Covington Trust, is secretary. Other banks involved in the project are Citizens National and Security Bank.

According to Mr. Haile, the 15 financial institutions provide the basic leadership in the planning process, but receive input from all groups—public and private—having interest in the Covington central area. • •

Black History:

Nearly Forgotten Paintings Examine Faces of History

"Faces of History" is the title of an exhibit of nearly forgotten paintings of distinguished historic black men and women that has been held in the lobby of Chicago City Bank.

The showing, which was comprised of 50 portraits of people who contributed to the growth of the nation, was made possible by the cooperation of the DuSable Museum of African American History.

The works were commissioned in 1959 by Balm Leavell, publisher of the *New Crusader* newspaper, and painted by Bernard Goss for the "First Exposition of the Negro in Business and Culture." The exposition was repeated in 1960 and 1961 and was augmented until the paintings numbered 150, including several murals.

The collection was presented to the DuSable Museum in 1975 by the widow of the *New Crusader's* publisher and, through an Illinois Bicentennial Commission grant, the deteriorating portraits were refurbished.

As Bicentennial Gift:

Bank HC Provides Grant For Production of Film On State's Residents

Mercantile Bancorp., St. Louis-based HC, as a lasting contribution to the nation's bicentennial, is making available to Missouri residents a noncommercial historical film, "Missouri: Portrait of a People."

The 16mm, sound-and-color, half-hour film was introduced to the public last month on nine major TV stations across the state. Following its premiere, prints are now available, free of charge, to schools, churches, civic organizations and other groups. Order forms may be obtained from local Mercantile banks throughout the state.

The film traces the history of Missouri through the enduring works of the state's artists, architects, sculptors, musicians and writers. It's narrated by stage, screen and TV actor John Forsythe. It includes, among others, paintings, sketches and murals by such famed regional artists as George Caleb Bingham and Thomas Hart Benton and

the influential architecture of Louis Sullivan, Henry Van Brun and George I. Barnett. Also noted are poet Eugene Field and author and humorist Mark Twain. Through the eyes of such artists, the film gives a new perspective, not only on Missouri's history, but on the special quality of Missouri life.

The film, produced under the aus-

This is preparatory drawing—"Boatman Seated With Pipe"—done by George Caleb Bingham, Missouri artist. It is central figure used in larger oil-on-canvas painting, "Watching the Cargo," completed by Bingham in 1849. This drawing appears in film, "Missouri: Portrait of a People," which was produced under grant from Mercantile Bancorp., St. Louis-based HC.



pices of the Missouri Arts Council, was developed and produced by Pentacle Productions, Inc., Kansas City. Mercantile Bancorp. made the grant that financed the project.

According to the HC's chairman, Donald E. Lasater, the making of this film should reawaken residents of Missouri to their heritage and natural beauty around them and should strengthen their pride in their state.

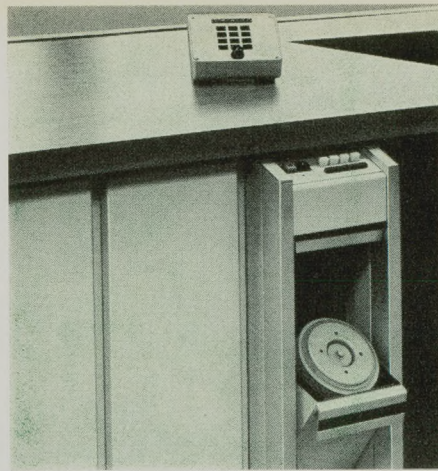
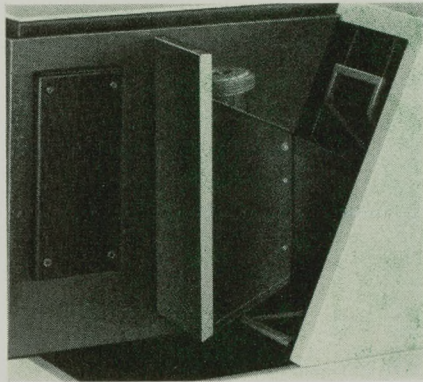
Senator Praises Bank's Ads

WASHINGTON, D. C.—"In Chattanooga, they are spreading the truth about the free enterprise system," was the proclamation made on the floor of the U. S. Senate by Senator Jesse Helms (R.,N.C.).

Calling for unanimous consent—to which there was no objection—that the complete series of advertisements by Pioneer Bank of Chattanooga be reprinted in the *Congressional Record*, Senator Helms commended not only the bank, but its chairman, George M. Clark, and the Greater Chattanooga Area Chamber of Commerce.

Meilink's Sentinel III remote drive-up system has one tube and many advanced features:

Everything must go into the removable carrier. That's the way Meilink designed the Sentinel III terminals. If a loose item is dropped, it will fall safely through to a catch receptacle. Can't enter the system and cause downtime. And to make it even



more convenient for the customer, the carrier is presented parallel to the drive lane.

There's more counter work area at the teller station. All controls are in the terminal and the small audio box can be positioned anywhere on the counter.

Reliable solid state circuitry keeps things under control and makes

operation easy. Should you need service, the Sentinel III has a self-diagnostic feature that pinpoints a problem area fast.

The single tube design saves installation time and cost. Underground, the short radius bends allow a more shallow trench. A reversible blower contained in the remote station automatically activates to dispatch the carrier in either direction.

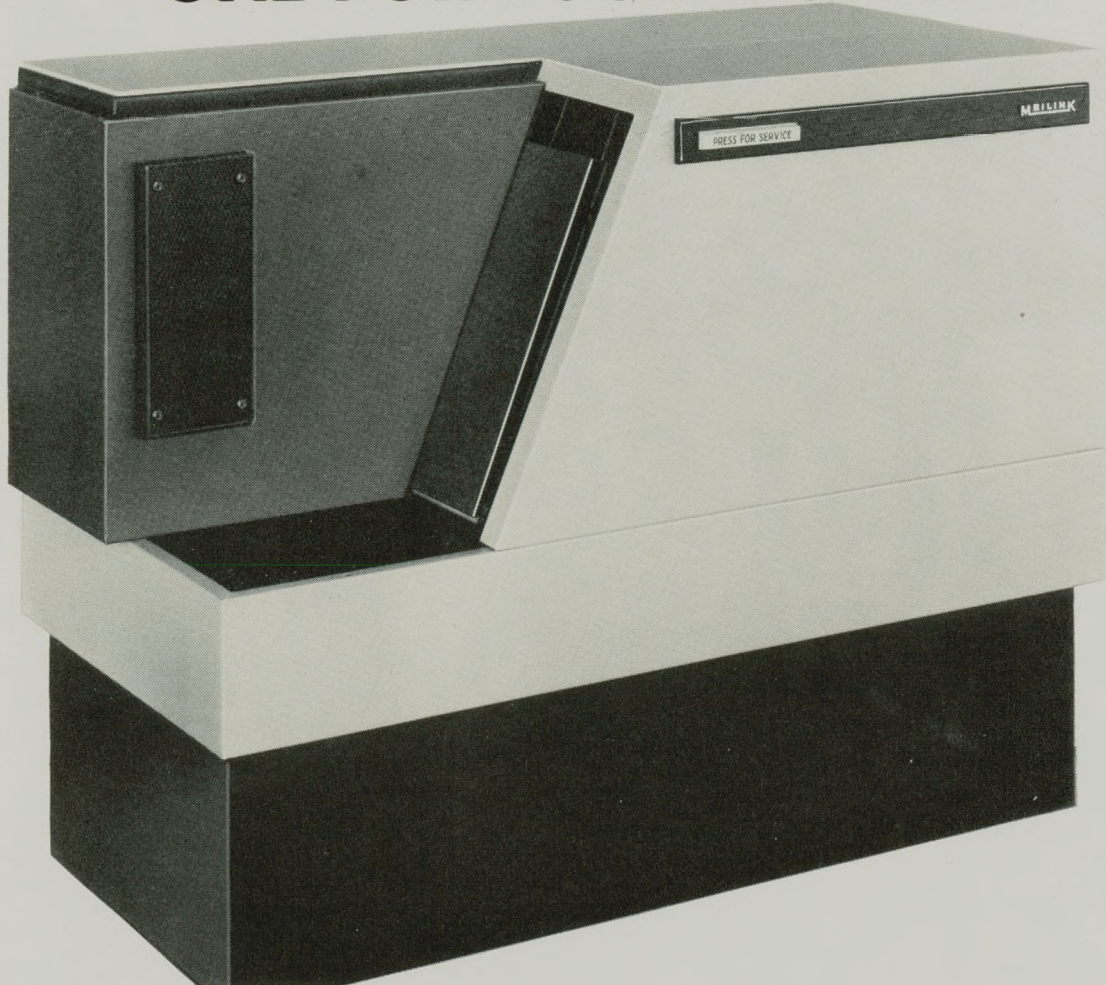
One more thing, Sentinel III is made with Meilink quality. That fact alone should make Meilink's Sentinel III the remote drive-up system for your money. Call or write:

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BANK EQUIPMENT

3100 Hill Avenue, Toledo, Ohio 43607

Phone (419) 255-1000

ONE FOR YOUR MONEY



Section 409(a) of ERISA states:

"Any person who is a fiduciary with respect to a plan who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries by this title shall be *personally* liable to make good to such plan any losses to the plan resulting from each such breach . . ." (Emphasis supplied)



"We should include our pension plan fiduciaries in our D & O coverage. Let's call MGIC for a rider."

No sooner said than done.

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Passage of ERISA created this need for additional liability protection for your directors or officers who are considered fiduciaries of your institution's pension/employee benefit plans.

MGIC provides it—easily available as an endorsement to the MGIC Directors' and Officers' liability policy.*

The policy also provides individual coverage, up to policy limits, for each person, each year. It recognizes your desire to select counsel, subject to MGIC's consent. And, at its option, MGIC can advance you money for costly fees. MGIC coverage also includes bank trust officers, which ERISA legislation makes more important than ever.

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Directors' and Officers' Liability Protection from MGIC.

One more sound reason why we say, there is no substitute for experience. MGIC experience.

*Not available in Texas

MGIC
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Selling/Marketing

No Such Thing as a Free Lunch? This Bank's Customers Say There Is!

THE OLD SAYING, "there's no such thing as a free lunch," just isn't true. Customers of Missouri State, St. Louis, will verify that, because anyone who opened or added \$50 to an account during a two-week promotion received a free lunch in return!

The promotion was in celebration of the opening of Missouri State's "Hub" center for retail accounts and it was publicized in these ways: The bank, prior to the event, distributed more than 10,000 free cups of root beer from a stand on its front sidewalk; a half-dozen teams sporting sandwich boards and handbills—accompanied by a high-wheel bicycle—patrolled the downtown area every day at lunch time.

The high-wheel bicycle plays up the "hub" idea of Missouri State's new center. Focal point of the handbills was



During free-lunch promotion at Missouri State, St. Louis, customers line up in "Gay '90s"-style restaurant in bank lobby and help themselves. Welcoming them at left is Earl J. Brennan Jr., bank pres. To qualify for offer, \$50 deposit was needed.

a silhouette of the high wheeler and the bank's catchphrase, "The Hub of All Your Financial Affairs."

Since Missouri State isn't able to match larger banks in advertising expenditures, the free lunch was thought to be a less expensive way to attract new accounts. "People think of banks as stuffy, cold places," said Earl J. Brennan Jr., bank president, "but we want to be different. We've decorated the Hub center like a restaurant to correspond with the 'Gay '90s' high-wheeler symbol, with lots of stained glass and small cafe tables.

"Missouri State," he continued, "prefers this idea to a continuity program. This way, we can welcome people personally to the bank. A staff member can chat with them over lunch; it will be fun to visit Missouri State."

And the promotion, besides making better customers of the bank's present ones, has developed a lot of new business, Mr. Brennan said. During one day, three times the normal number of new accounts were opened—averaging \$1,000-\$1,500 each! • •

Five Minutes Nightly:

Historic Happy-Birthdays Are Topics of Ad Series

Saluting the birthdays of famous Americans was one way Third National, Nashville, celebrated the bicentennial. At 6:55 p.m. Monday-through-Friday, the bank sponsored five-minute

television ads featuring a different person nightly.

"Happy Birthday, U. S. A.," as the series was titled, was extremely popular with viewers, according to a bank spokesman. The ads produced many phone calls, many from area teachers requesting schedules of the personages to be saluted.

Each "program" had a 60-second opening for a commercial message, then Third National personnel gave the featured presentations. "The spokesmen used in the bank's ads were secretaries, commercial lending officers and even our chairman and president, Charles J. Kane," the bank spokesman said. "In fact, all the bank's branch offices were represented by personnel in the spots.

"And when the bank persons got over the initial paralysis of facing a camera and crew," the spokesman added, "some went on to do horrible jobs, while others were surprisingly good."

In Liberty, Mo.:

Miniature-Wagon Display Recalls Area's History

A miniature farm wagon, much like the full-sized versions used in the area's past, has been displayed in the lobby of First National, Liberty, Mo.

The wagon, which was loaned to the bank by a customer, was constructed by a man in Wichita, Kan. According to a bank spokesman, the model consists of 552 handmade parts that took more than 160 hours to assemble.

Other features of the replica are its copper parts and stained woods. The wagon includes a spring seat, removable sides and a towing harness.



Looking over miniature farm wagon displayed in lobby of First Nat'l, Liberty, Mo. are Renner Bryan (r.), teller, and Huron V. Masser, owner of replica. Model has stained-wood and brass parts, took over 160 hours to assemble.



TOP: Prior to free-lunch-for-deposits promotion of Missouri State, St. Louis, bank publicized event with free root beer stand on its sidewalk. High-wheeler bike and representatives sporting sandwich boards patrolled downtown area to publicize event. BOTTOM: Taking time out to sample free root beer are (from l.) Doug McDowell, e.v.p.; Earl J. Brennan Jr., pres.; and James Gemignani, asst. op. off. Bank dispensed more than 10,000 cups of beverage.



From then to now, we've planned and built or remodeled more bank buildings than any other company anywhere.

Since our beginning in 1913, when we were known as the St. Louis Bank Fixture Co., we've pioneered many designs, concepts and methods that are now banking standards. We were instrumental in the demise of tellers' cages. We "opened up" bank lobbies. We introduced drive-in banking. We have developed a revolutionary concept in preplanned bank buildings. And on more than 6000 projects we've helped banks increase earnings through proper planning, design and construction (or remodeling) of their buildings. May we help you? We have a man right in your area.

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Please send me a copy of your brochure, "How To Determine When, How and Why You Should Remodel." MC-1076

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Title _____

Firm _____

Address _____

City, State and Zip _____

Ivy and Poppers:

Opening In Small Town Brings Bank Big Results

Branson, Mo., is a town with a population of 2,400, but when Peoples Bank opened its Peoples Banking Center, more than \$400,000 in new business was generated in three weeks' time!

Customers depositing \$25 in a savings account or \$100 in a checking account were given a choice between two premiums: a Swedish ivy plant from Turner Floral Co., Springfield, Mo., or a popcorn popper manufactured by Munsey Co. During the grand opening, more than 100 plants and 700 poppers were distributed.

A unique feature of the facility is the drive-up's remote teller unit that has

been raised 12 inches higher than its two companion units. That was done to accommodate recreational vehicles and pickup trucks. Since nearly 25% of the bank's customers have those vehicles and because Peoples Bank caters to a large Ozark-area tourist population, the decision was made to elevate one of the remote teller units.

During the grand opening festivities, customers were given refreshments and tours of the building. The event was publicized by the "Peoples Bank Gazette," a supplement to the local newspaper. In it were photos of the new center and its staff.

As an added bonus to customers using the drive-up lanes during the grand opening, Chairman Ben A. Parnell Jr. and President Smith Brookhart kept busy washing car windows and handing out premiums.



Washing windows of customers' vehicles at drive-up during grand opening of Peoples Banking Center of Peoples Bank, Branson, Mo., are Smith Brookhart (l.) pres., and Ben A. Parnell Jr., ch. They also handed out premiums of popcorn poppers and Swedish ivy plants, which can be seen in foreground on remote teller unit. Also, feature of facility is teller unit at rear, which is raised 12 inches for customers in trucks, recreational vehicles.

David vs. Goliath?

Rockefeller Takes Notice Of Small Bank's Statement

Farmers State, Chappell Hill, Tex., a bank with deposits of \$1,609,631.56, has done something few other banks have accomplished. It has gotten the attention of David Rockefeller, chairman, Chase Manhattan Bank, New York City.

Nathan Winfield, president of Farmers State, usually finds a unique way to notify depositors of the bank's financial status and his efforts of last June resulted in a letter from Mr. Rockefeller.

The statement contained a cover illustration of an elderly gentleman with the caption, "At this time, we would like to offer a brief comment concerning our current financial position." Inside a single line said, "Eat your heart

out, Chase Manhattan." Accompanying that was Farmers State's statement of condition.

An anonymous friend of Mr. Winfield's sent a copy to Mr. Rockefeller, who replied:

"Since our June 30, 1976, deposits total \$35,195,265,162, and assuming your present annual dollar growth totals \$454,533, and also assuming that we experience no growth, I figure you will be even with us in 7,742 years. At that time, we might discuss the Chase Manhattan Bank becoming a correspondent of Farmers State Bank. However, in the meantime, I thought you might like to become a correspondent of Chase, and I am enclosing signature cards to be used for that purpose.

"Keep up the good work, and if we are both around at that time, I would like to get together with you and discuss navigating steamships on the Brazos River.

"From one who stands in awe."



Lawn of Rochelle (Ill.) State was great attraction for area residents when bank, Ogle County Pork Producers and local Future Farmers of America held barbeque. More than 40% of town's population showed up for meal featuring pork tenderloin sandwiches!

Mighty Tasty!

Barbequed Pork Tenderloin On Menu at Bank Picnic

The weather was fine and there was plenty of barbequed pork tenderloin to eat when Rochelle (Ill.) State staged an annual cookout. The event was produced by the Ogle County Pork Producers and assisted by the local chapter of Future Farmers of America.

Serving the pork tenderloin sandwiches, complete with trimmings, were the bank's board and staff members. In addition, Rochelle State's commercial accounts contributed about 90 door prizes; the bank gave a grand prize of a \$500 CD.

Entertainment was provided by a local band, and to obtain a ticket to the barbeque, all one had to do was see one of the bank's merchant patrons.

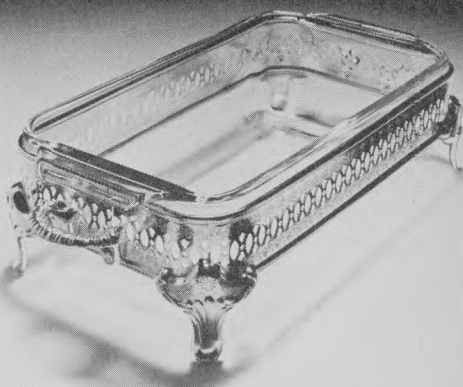
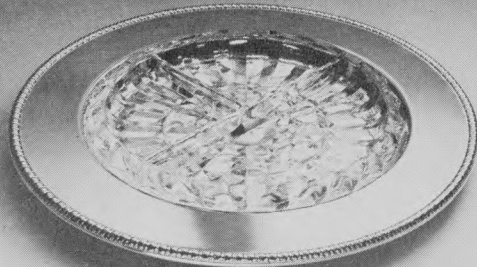
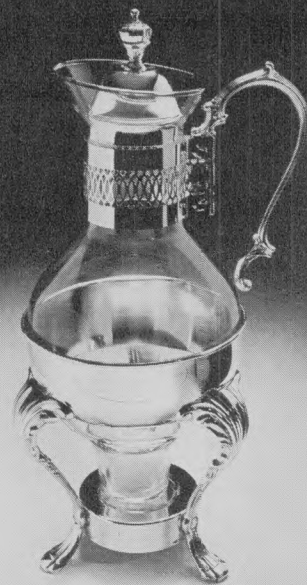
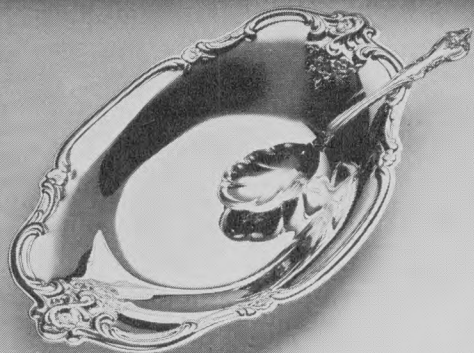
How successful was the event? Rochelle is a town with a population of 8,500 and 3,500 persons showed up and consumed 4,000 hamburger buns, 90 gallons of baked beans, a similar amount of applesauce and 4,000 bags of potato chips!

That's Logical:

Calendar Offered by Bank Puts Sunday 'in Its Place'

Avenue Bank, Oak Park, Ill., has put Sunday "in its place." The institution has offered a "logical" calendar for 1976-77 that groups the weeks with Sunday as the final day, rather than at the first of the week.

The calendar also salutes the prairie school of architecture, which abounds in the area. Featured are selected examples of Oak Park and River Forest works by Frank Lloyd Wright, Ezra Eben Roberts, William E. Drummond, John S. Van Bergen and George W. Maher.



They don't tick, whir or plug in. But oh, how they move people!

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Unlike many short-lived mechanical "marvels" with their problems of repairs, replacements and diminishing value, International Silver products offer lasting beauty and enduring quality. Plus an ever-increasing intrinsic value that builds good will for you year after year.

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Silver, first. Our fifty years experience in premiums can really help.



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We'd like to see what you can do to help us.
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____ Send catalog before we meet.

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Company _____
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City/State _____ Zip _____

EFTS (Electronic Funds Transfer Systems)

8,000 Electronic Terminals In U.S., According to Report; Their Number Growing Rapidly

BROOKFIELD, ILL.—According to a survey of commercial banks and thrifts conducted by RoseMary Butkovic, independent EFTS consultant, there presently are 8,000 electronic terminals at nonbranch locations in the U. S. and the total is growing rapidly.

The terminals are installed in shopping centers, retail stores, offices, airports and other locations.

As far as use of the terminals is concerned, the report says 80% of the machines are authorizing credit and verifying or guaranteeing checks at POS locations, while 15% of the terminals offer electronic banking services at merchant locations. The remaining 5% of the machines are ATMs at locations other than bank premises.

More than 500 financial institutions in 44 states and the District of Columbia are offering electronic banking services at remote merchant terminals and ATMs, the survey says, and institutions as small as \$30 million in deposits have installed terminals for EFT services: deposits, withdrawals, transfers and authorizations for check cashing and credit cards.

Although only 4% of state- and national-charter thrifts and 2% of commercial banks currently participate in remote EFT service offerings, previous surveys have shown that most financial institutions will offer merchant POS terminal services within the next five years.

Remote banking services are expanding rapidly, the survey shows, despite legal and regulatory constraints in a number of states. More than 9,000 additional terminals are planned for installation over the next year and over 75% of those are expected to be for credit authorization and check verification or guarantee service.

Respondents to the survey cite the following reasons for installing remote electronic terminals:

- Customer convenience and improved service were cited as the primary reasons.
- To reduce costs.
- To differentiate services.
- To attract new customers and deposits.
- To relieve lobby and teller congestion in branches.

The report shows that the number of transactions performed by remote electronic terminals ranges from less than 100 monthly at a POS terminal to more than 5,000 over a similar period of time at an ATM. Costs for operating a terminal were pegged at a low of \$22 a month for a POS device to \$50,000 monthly at an ATM.

Respondents indicated that they controlled access to customers' account information by issuing personal identification numbers—PINs—or codes—PICs—by restricting card issuance, maintaining activity and dollar-amount controls on withdrawals and by providing technological safeguards to prevent unauthorized access to account balances.

Availability of ATM Package Announced During CEO Seminar

The availability to correspondents of the Bankmatic ATM package was announced by Bernard J. Ruysser, president, Commercial National, Kansas City, Kan., during its CEO Seminar September 8 at the Alameda Plaza Hotel in Kansas City, Mo.

Approximately 75 correspondent bankers attended the annual event, which was sponsored by Commercial National's commercial data division. Other topics covered during the hour-long program included a statement of the Commercial Data Center's (CDC) current position and future direction by Don Barnes, senior vice president.

Also discussed were automated payroll, electronic proof machines and CDC department functions and innovations.

According to a bank spokesman, the Bankmatic ATM service being offered to correspondents by Commercial National is fully automated and on-line.



Visiting with Bernard Ruysser (c.), pres., Commercial Nat'l, Kansas City, Kan., during bank's annual CEO seminar are Norm Tice (l.), pres., City Bank, and Robert Gaddy, pres., American Nat'l, both of St. Louis.

The program offers a complete technical and marketing system for assistance in establishing a Bankmatic automated teller plan, he said.

The package, he continued, also features liaison with manufacturers in selecting equipment; site analysis and recommendations; architectural plans for drive-up or walk-up structures; interface coordination with Commercial National's computer; consultation on customer procedures; marketing support; and a complete manual of internal operating procedures.

'EFTS in U. S.' Symposium To Be Held in Geneva, Nov. 7-9

GENEVA, SWITZ.—The Intercontinental Hotel will host "Electronic Funds Transfer Systems," an international symposium sponsored by Payment Systems, Inc. (PSI), New York City, November 7-9.

The symposium has been designed to provide the latest information on electronic banking developments in the U. S. to European financial leaders. It also will provide a forum for the exchange of information about European EFTS developments.

Specific topics to be covered by a variety of experts will be checks, credit cards and wire transfer systems; POS systems; direct-deposit payroll programs; ATMs; ACHs; and bill payment systems. Other reports will examine strategies for marketing new banking services and developments in technology.

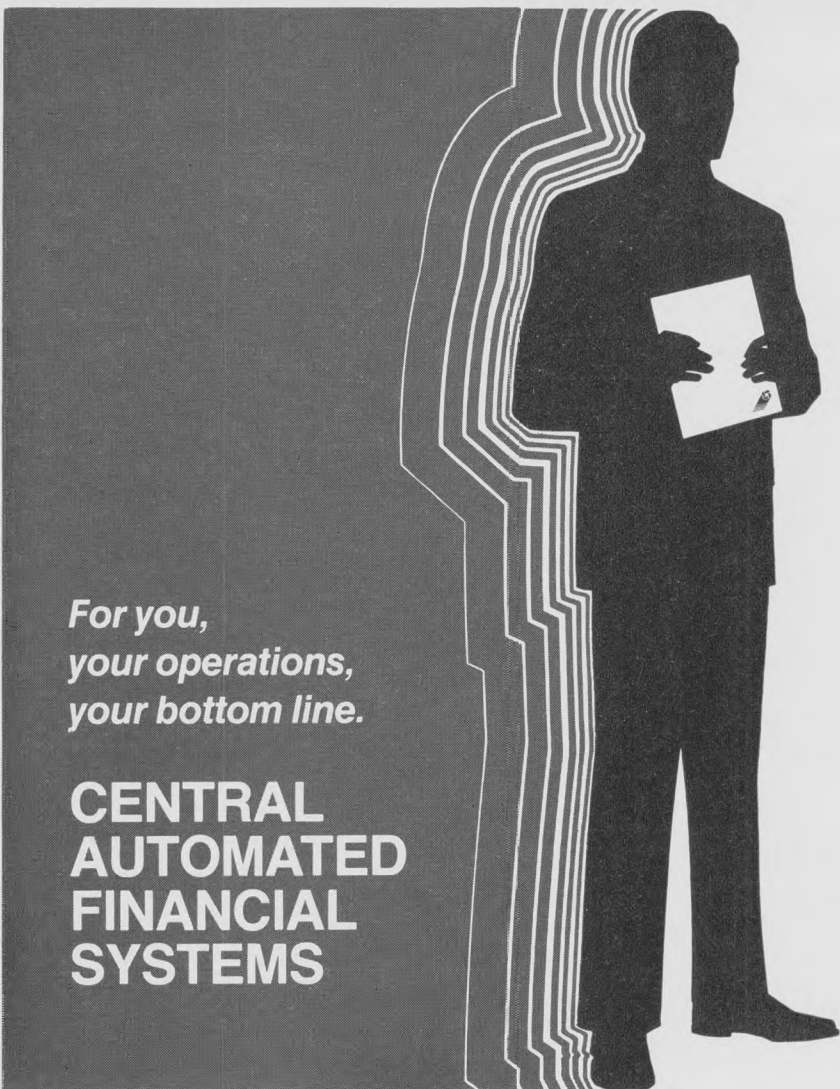
In addition, a comparative analysis will be made of European and American payments system developments, including GIRO and credit card systems, ACHs and Eurocheque.

Automatic Premium Payments Begun in Fla. by Blue Cross

Blue Cross/Blue Shield customers in Florida now may have their bank accounts charged automatically for payment of insurance premiums. Originating bank for payments is Atlantic National, Jacksonville.

The project reportedly is the bank's initial entry into preauthorized ACH debits and will involve an estimated 56,000 items per month, with a growth potential of over 200,000.

The bank is a member of Florida Payment Systems, Inc., Orlando, the firm that implemented the Jacksonville ACH, processor for customers' banks.



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your bottom line.*

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Central National Bank is now offering seven automated financial systems designed to help you fine tune your management controls, evaluate the performance and profitability of your departments, and spot problems, opportunities and trends early enough to do something about them.

These systems give you crisply-reported data on your operations that you can interpret easily and apply quickly. They represent the most advanced state of the data processing art, are fully integrated and will interface with the next-step programs we are currently developing.

The seven new Central Automated Financial Systems are:

On-Line Savings	Certificates of Deposit
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We would welcome the opportunity to discuss these systems with you and to answer any questions you or your operations officers may have. Call your Central Automated Financial Systems Representative at (312) 443-7200.

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A 60-page book designed to enable directors of state-chartered banks to bring their operations up-to-date. It was developed in recognition of several new trends in business and society—trends involving an increased sensitivity of the public regarding conflicts-of-interest; greater concern for minority rights; greater demand for fuller disclosure; data on control and ownership and of related business interests, including voting of trust-held securities.

The book also provides a means for state bank directors to modify procedures to bring their banks into compliance with current state banking statutes and regulations. Its use can result in economies and efficiencies for banks.

Can Your Bank Afford to be Out-of-Date?

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\$7.75 each

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Survey of Senior Financial Marketers Indicates High Interest in EFTS

THE FUTURE of EFTS seems assured by the results of a comprehensive survey of a large number of senior financial service institution marketing executives in commercial banks, S&Ls, mutual savings banks and credit unions.

The survey, conducted by Payment Systems, Inc., Atlanta, revealed that 93% of bank marketers predict their institutions will offer automated teller service by 1980; that only about 5% of financial institution marketers believe their institutions will not participate in merchant point-of-sale terminals within the next five years; that about 60% believe that consumers will view EFT terminals at retail outlets to be major benefits; that 55% of banks and 51% of thrifts expect EFTS to improve the profitability of consumer financial services for their institutions.

More than half the marketing executives agree with consumerists that consumer liability for debit cards should be limited to the present credit card liability of \$50; less than half of financial marketers believe their institutions are doing a good job in their advertising efforts; and most believe consumer complaints about EFT services can be handled relatively easily.

Although new EFT systems are expensive, only 40% of the survey's respondents indicated that their institution's research expenditures exceed \$25,000 a year.

Only 23% of the marketers in banks with more than 10 branches and almost 46% of marketers at high-branching thrifts expect to add over 10 branches by 1980.

According to Payment Systems, the survey indicates that there is a favorable climate among financial service institution executives for the introduction of EFTS. Most marketers are actively planning participation in some sort of EFTS program within the next several years. Their interest in EFT stems primarily from a desire to maintain or improve their competitive positions in the marketplace.

While they are aware of consumer concerns and not particularly satisfied with their present advertising efforts, they are spending a relatively limited amount of money on research into consumer marketing of EFT. The rather low level of interest, particularly among banks, in establishing new branches may be an indication that EFT is replacing branching as a primary strategy for expansion and development of markets. • •

Bank's EFT-Program Step-Up Is Due to Unpredicted Popularity

FAYETTEVILLE, ARK.—First National's ATM system has proven so popular with customers that the bank has twice moved up its schedule for additional installations.

The bank launched its automatic banking program with installations at its Evelyn Hills Shopping Center and University Branch offices in the fall of

1975, but 30 days later, customer use had reached levels far beyond expectations. So a third automatic banking facility was opened at Spring and Block streets.

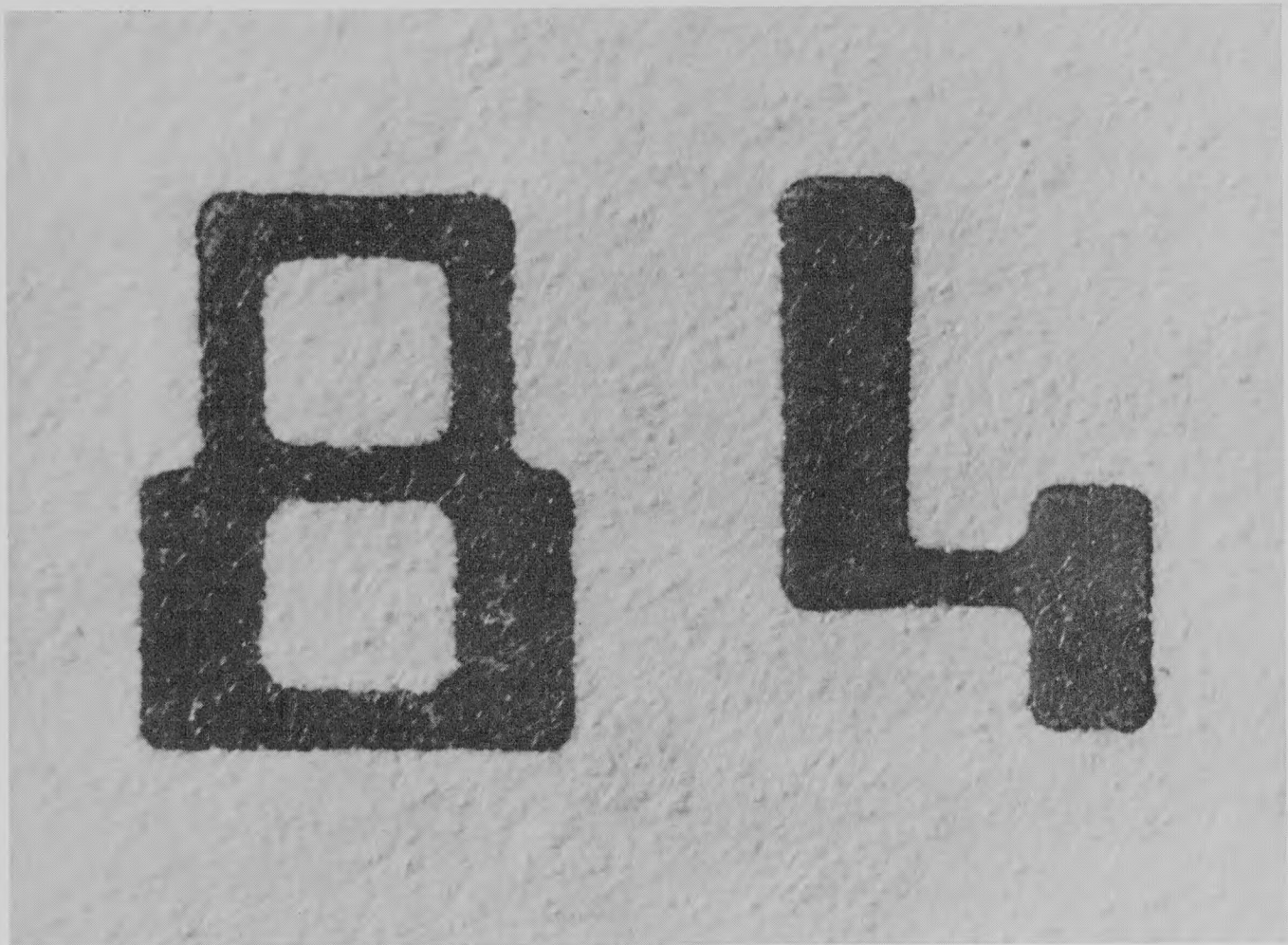
That installation proved so popular that First National went ahead with a fourth ATM installation adjacent to the main pedestrian entrance to the Northwest Arkansas Shopping Plaza.

In one month, officials stated, there were 13,125 transactions at the first three locations; 19,000 Bank Key cards for the machines have been issued, and the bank has begun issuing Master Charge cards for use with the Diebold Total Automatic Banking System TABS 500 units.

First National also is one of 12 banks in the state that participates in a state-wide EFT interchange program.



Diebold TABS 500 machines are basis of automatic banking system of First Nat'l, Fayetteville, Ark. Customer acceptance of system exceeded expectations so greatly that bank's ATM program had to be stepped up twice.



We make a big thing of little MICR characters

Is the signal level right? Any extraneous ink? Voids? Tests to determine these and all other MICR specifications are conducted on random print samples from each of our plants through sorter-readers. Rejects are scrutinized to find and correct potential problems. Goal? Keeping our checks out of your reject pocket!

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scious people. From the time we first get the order to the time it's shipped the next day, there's an attitude we practice—a motto we use: "Everyone is an inspector". And everyone from the typesetter to the packer tries to see to it that every little detail is right.

Sure, we make mistakes. But when we do, we care. And our people work hard to make sure it doesn't happen again.

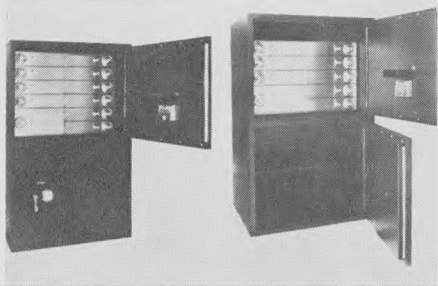
Quality Assurance. It's a pretty big thing with us.

Little things make a big difference.

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SALES HEADQUARTERS P.O. BOX 3399 ST. PAUL, MN. 55165
STRATEGICALLY LOCATED PLANTS FROM COAST TO COAST

• **National Safe Corp.** The Cashguard Chest provides a secure area for money and valuables where there is no room for a large safe or vault, according to National Safe Corp., Clearwater, Fla., a subsidiary of John H. Harland Co. Available in single- or double-door units, the Cashguard Chest has a one-inch-thick steel body, 1½-inch thick doors and a heavy-duty locking bar.



The chests also feature a three-tumbler combination lock, heavy-duty hinges, a reloading device and a deadlock. Lockers for insertion in the chests come in a variety of sizes and have from one to six compartments. Write: Tom Seiter, National Safe Corp., 1908 Calumet Street, Clearwater, FL 33518.

• **Daktronics, Inc.** The Venus 500 information display has been added to the line of products of Daktronics, Inc., Brookings, S. D. The unit has 32 columns of lamps with seven bulbs per column and the capability for displaying five characters simultaneously. Single- and double-stroke fonts are available in changing or traveling modes of



New Products and Services

operation. The Venus 500 displays time and temperature interspersed with messages. All circuits are solid state with data entry from a desktop keyboard control console, while a louvered shade screen and automatic dimming circuit maximize effectiveness day or night. Write: Daktronics, Inc., P.O. Box 299, 331 32nd Avenue, Brookings, SD 57006.

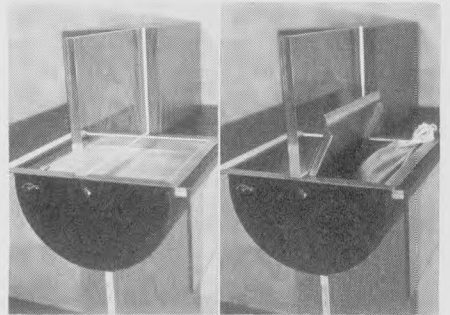
• **Steelcase, Inc.** A full-color catalog featuring a complete family of Movable walls and hang-on accessories has been offered by Steelcase, Inc., Grand Rapids, Mich. Movable Wall Standard Power panels are shown in use in a variety of open-office situations and photographs are accompanied by plan views and exploded views of workstation arrangements. The catalog also features a section on Paperflo, a series of V-shaped trays which are said to organize and simplify paper work in process. Write: J. A. Andrews, c/o Steelcase, Inc., 1120 36th Street, S. E., Grand Rapids, MI 49501.

• **Xerox Corp.** A coin-operated version of the Xerox 3100 copier, for use in banks and other public places, has been announced by Xerox Corp., Stamford, Conn. The 3100 can be set to make a copy for any price—in five-cent increments—from a nickel to 75 cents and a single copy is produced in eight seconds on plain paper. A special bypass key allows use of the 3100 without inserting a coin. The machine may be purchased or rented and present 3100 customers can have the coin-ac-



tivating mechanism installed on their machines. The 3100 is said to fit into a relatively small area and can be rolled on its wheeled stand. Write: Xerox Corp., Stamford, CT 06904.

• **Creative Industries, Inc.** Swivel-Thru is a pass-through for bullet-resistant counters that has been announced by Creative Industries, Inc., Indianapolis. Serving as a pass-through and a deal tray, the stainless steel Swivel-Thru is available as a drop-in



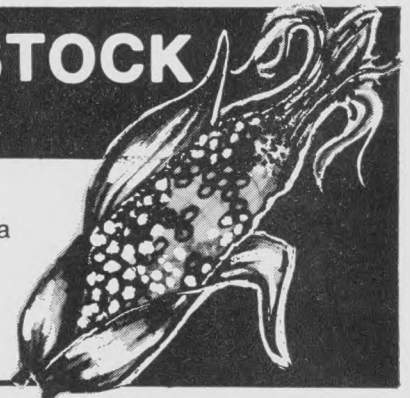
unit or a counter-top model. It has only one moving part, can be used in existing or new counters and is available for class I or class II. Write: Creative Industries, Inc., 959 North Holmes, Indianapolis, IN 46222.

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NEWS ROUNDUP

Senate Kills Bank Bills

Three banking bills that had been expected to be passed by the Senate have been killed. They would have allowed federal, state and local governments to collect interest on official bank deposits; required separate Senate confirmation for the Fed chairman; and given federal regulators greater authority to order bankers to stop unsound practices.

The first two bills contained extraneous "NOW"-account riders that would have permitted federally chartered financial institutions in New York and New Jersey to offer interest-bearing checking accounts, provided the two states allowed state-chartered institutions to do likewise. The Senate Banking Committee was sharply divided on these riders.

No attempt to revive the bills is expected in the near future.

Paperwork Commission Hears ABA

The ABA has advised that Congress needs to "get a handle" on the regulatory burden created by laws it passes, just as it has done in recent years with the federal budget.

The advice was given before the Commission on Federal Paperwork by then-President-Elect W. Liddon McPeters, president, Security Bank, Corinth, Miss.

"The tests of size, public need and economic impact can help to determine the justification—or lack of it—for individual paperwork requirements," Mr. McPeters said. For example, some federal equal employment reporting and paperwork requirements apply only to banks over a certain work-force size. This sort of distinction might be applied elsewhere.

Nine ABA-member banks have agreed to cooperate with the Commission in a study of banks' paperwork burdens.

CU Share-Draft Injunction Sought

Suit has been brought against the National Credit Union Administration (NCUA) by the ABA and a New York State bank seeking the withdrawal of authorization by NCUA for check-like share-draft accounts for federally chartered credit unions.

The court has been asked to declare NCUA's approvals of share-draft and similar accounts for credit unions null and void and to issue a permanent injunction against the approval or offering of such accounts in the future.

A share-draft account is a dividend (interest) earning account in a federal credit union. A share draft is a payment instrument that looks like a check and is used as a check.

The complaint argues that commercial banks, by virtue of their state and national charters, are entitled to exclusive authority to conduct commercial banking business, including the offering of accounts for third-party payments, such as checking accounts; that the NCUA's actions violate the Federal Credit Union Act, since that law does not authorize share-draft accounts; and that NCUA and its administrator violated the Administrative Procedures Act and usurped Congressional power to regulate

commerce by approving share-draft accounts for credit unions.

Some 296 credit unions have been authorized to offer share-draft accounts. The accounts contain some \$60 million in unlawful deposits, the ABA said.

Personnel Sharing Reexamined

The Comptroller's office is planning to take another look at the feasibility of sharing of facilities and personnel by bank trust and commercial departments.

Banks have been asked to submit their views, comments and suggestions on how bank trust officers can serve best the interest of trust beneficiaries without violating securities laws against trading inside information.

Several banks have asked the Comptroller's office that an amendment proposed last year be adopted with modifications. The amendment stated that facilities and personnel could be shared between bank trust and commercial departments, but added that the trust department should establish policies and procedures to make sure that investment decisions were based only on public information.

Interested banks are not concerned over potential lawsuits resulting from any conflict the amendment would cause if it was adopted, but they have expressed a desire that the Comptroller's office take a stand on the issue.

Miss. Insurers Face Loss

Insurance firms in Mississippi face the possibility of paying off the debt incurred by the failure of Bankers Trust Saving & Loan Association, one of the state's largest S&Ls.

State law requires all insurance firms doing business in the state to contribute proportionately to a fund designed to cover the losses of any insurance policyholder. Among the participants in the plan was American Savings Insurance, the concern that insured the failed S&L.

The S&L's conservator said a recent audit disclosed the S&L had overvalued its assets by about \$28 million. Since its true assets are only \$9 million, the balance would have to be paid off by the special state fund.

Efforts are being made to reorganize the S&L, which, if successful, would get the insurers off the hook.

Bank, Insurance Interlocks OK'd

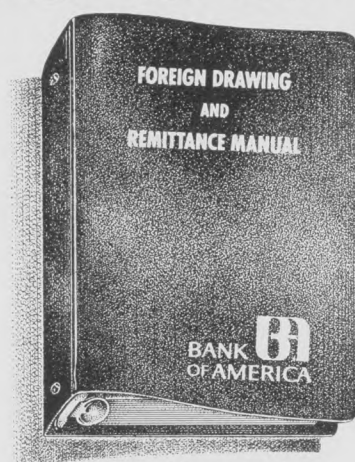
A U. S. district court judge in San Francisco has ruled that serving simultaneously as a director of a bank and an insurance firm does not constitute a violation of federal antitrust laws.

The ruling upheld the contention of three major banks that the Clayton Act does not apply to bank directors sitting on the boards of non-bank corporations, as charged by the Justice Department last year.

The suit involved Bank of America and Crocker National, both of San Francisco; Bankers Trust, New York; and four insurance firms.

Justice argued that banks and insurance firms are in competition in certain types of lending activities, particularly mortgage loans. Federal laws generally prohibit persons from being directors on the boards of competing institutions.

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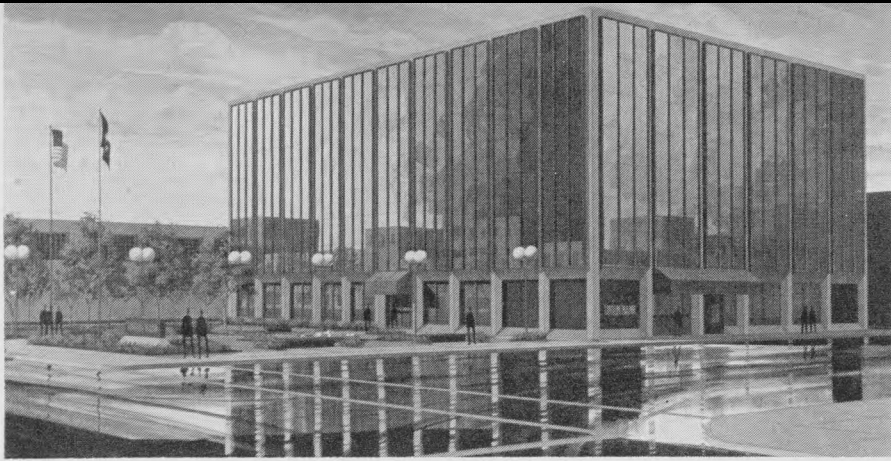
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Sketch of completed six-story structure now being built for Union Bank, Kokomo, Ind. Upon completion of new building, existing bank (not shown) will be torn down and replaced by plaza shown at left. Completion is expected by January, 1978.

Expertise of Bank Construction Company Lightens Load of Building Committee

Union Bank, Kokomo, Ind., Solves Space Problem

UNION BANK, Kokomo, Ind., is a conservative bank—and a profitable one. Its shareholders appreciate the good dividends they have been receiving, not to mention the fact that the bank's stock sells at a premium.

But the bank has outgrown its 60-year-old building. On busy days, customers can barely make it inside the lobby, where they face the prospect of standing in line for 10 minutes or more before reaching a teller. Departments have been relocated in adjacent buildings due to lack of space. Dimensions of the bank building are such that work flow must be vertical rather than horizontal, increasing costs and contributing to inefficiency.

What's the solution? To remodel or to build? Where can a bank go to obtain reliable projections that will enable its building committee to make the correct choice for future housing for the institution? Will money spent on a remodeling project be wasted if the project amounts to only a stopgap attempt to keep expansion costs low so earnings will not be greatly affected?

These are some of the questions that filled the minds of management and directors of Union Bank recently. Management knew something had to be done to alleviate the crowded condition of its premises, but it wanted to accomplish its purpose at a minimum cost in order to keep earnings high.

Experts were called in by the building committee of the board to assess the situation. Among the consultants

By **JIM FABIAN**
Associate Editor

was Bank Building Corp.'s Central Division, headquartered in St. Louis.

Bank Building's estimate to remodel the bank's six-story building was \$1.7 million. Remodeling, however, would take care of the bank's needs for only five to ten years, according to Bank Building's projections of the Union Bank's future growth. The remodeling project, therefore, could not return its investment before it became obsolete.

A compromise plan was worked out, involving removal of the top three floors of the existing building and construction of a three-story annex. While the plan was sound as far as future requirements were concerned, it was not recommended by Bank Building or bank management because, among other things, the existing building would be costly to maintain in comparison with the new addition. Also, it was generally agreed that a new-old building combination would not be satisfactory.

Bank Building's people asked for and were granted permission to present plans for an entirely new structure, one that would fulfill the bank's space requirements for 15 years or more, enable the bank to operate efficiently, be economical to maintain, enable the bank to position its departments in an orderly way and make the best use of its personnel.

A break-even analysis of the proposed project was prepared that convinced the building committee that the bank could afford the \$3.2-million project. Full agreement was reached and groundbreaking ceremonies for the new project were held July 2.

The four-story-plus basement structure will give the bank about 50% more space, said William J. Carmichael, chairman and president, during a recent interview with *MID-CONTINENT BANKER*. In addition, after the new structure is occupied, the old building will be torn down and a tree-lined plaza put in its place.

The basement of the new building will contain a lock box department, a safety deposit department 60% larger than the present one, a travel department, a combination meeting room/lounge, a board room and lounges for officers and executives.

The main level will house the banking floor, a cashier's office, new accounts, public relations/marketing and installment loan departments.

The second floor will include offices for executives, a conference room and the commercial and mortgage loan departments. About 40% of the space on this floor will be reserved for expansion.

The trust department will occupy half the third floor, with the balance to be reserved for expansion. The top floor will house data processing, personnel, controller and bookkeeping departments.

According to Mr. Carmichael, the

new bank building is the first structure of any size to be built in downtown Kokomo in more than 40 years. He said he hopes the project will spark revitalization of the area, and initial response indicates that rejuvenation is in the air.

The exterior of the 51,000-square-foot building will feature gold mirror glass and beige and dark brown brick. Two sides will be done in each of the materials. Interior decor will be highlighted by brown, persimmon and gold tones, glazed ceramic tile floors, oiled oak furniture and a luminous vaulted ceiling to simulate a skylight.

Union Bank's new building will carry a written guarantee from Bank Building, according to John P. Mushill, vice president and general manager of the Central Division. Major portions of a project are covered for at least five years and minor portions for at least three years.

"It's important that a firm be able to stand behind its guarantee," Mr. Mushill said. "Bank Building has been in business for 64 years, during which time it has completed more than 6,000 projects. This record puts the customer's mind at ease because he knows the firm will be around if something should go wrong with the building in the future."

Many banks cannot afford to take a chance with a shaky guarantee, he continued. They are concerned about tightening their expenditures so they have sufficient reserves in their capital accounts. This has made bankers take hard looks at the dollars available for new buildings. This is why Bank Building offers so many front-end services prior to the actual design phase of a project. These services minimize client risk by providing facts on which a banker can make a sound decision.

Among the front-end services supplied clients by Bank Building are market evaluation/penetration, which determines the total deposit potential of an area based on demographic characteristics including education, income, occupation and projected growth factors for the area. Isolating these prime geographic areas simplifies the site-selection process, Mr. Mushill said.

A method of measuring the strength of a financial institution's competition in an area of its community also is available from Bank Building. The measurement is determined through an analysis of existing financial institutions, particularly their past and present deposit and asset growth trends, existing and proposed branch office locations and determination of marketing and facilities philosophy. This isolates the competitive influences within the market, enabling the client to determine the best spot for a branch or facility.

Once high-potential areas have been

determined, Mr. Mushill said, another Bank Building service isolates the primary and secondary sites within the prime subsector market locations that will provide the greatest opportunities for new business. Included is analysis as to traffic capacity, ingress and egress, proper drive-up system capability as well as convenience.

Another service provided by Bank Building is the preparation of applications for approval by regulatory agencies for a location of a branch or home office, establishment of a new branch or branches and/or a new charter.

One of the specialized services Bank Building is providing on the Union Bank project is construction risk management.

"The technology of construction has multiplied so rapidly in the past few years that specialized materials, methods and people are required on almost every phase of a major project," said Richard B. Henderson, general manager of Construction Risk Management.

Because many variables are involved, there is an increased need for a single source of responsibility. Hence, he said, the concept of construction risk management, which boils down to a method of managing a project to ensure maximum value within the client's needs, desires, budget and time frame.

Bank Building's Construction Risk Management is an organization of architects, construction specialists and estimators managing the planning, designing and construction of a project under an agreement with the client, Mr. Henderson said. Alternative construction systems are examined and, following an evaluation of the various systems, a design estimate model is supplied to the architectural and engineering team.

The design phase is monitored on the basis of compliance to the model. The construction document phase is monitored for compliance to the approved

budget and timetable. Bidding methods, subcontractor recommendations, construction coordination and other services may be provided by Construction Risk Management, whose services are compensated by a percentage of the construction cost or a fixed fee. The service also is available to owners and lenders of outside building projects.

After a facility is completed, the owner is visited periodically by a Bank Building representative to ensure that all components are functioning properly, Mr. Mushill said. Minor repairs are taken care of on the spot.

Another service provided by Bank Building is a guaranteed estimate, Mr. Mushill said. Independent architects often make guesstimates that are considered to be reliable and are used as a basis for financial planning until drawings have been made and bids received. Then the architect's estimate sometimes is found to be extremely low and the result often is cancellation of the project.

Bank Building's plan enables the in-house architect to work with the construction department in ascertaining an estimate, Mr. Mushill said. Thus, the cost can be guaranteed within 10%. If the final bid comes in under the estimate, the banker realizes 80% of the savings up to 10%, and 100% of the savings after the first 10%.

According to Mr. Carmichael at Union Bank, Bank Building won the contract for the bank's new building because of the convenience of having one firm handle the entire project, from future projection of business through furnishing and decorating the building. He also cited the firm's reputation as being the nation's leading designer and builder of financial facilities.

"The job required a specialized firm," he said, "and bank management liked the concept of a complete package from Bank Building Corporation. • •



Luminous vaulted ceiling in banking lobby is designed to simulate skylight. Interior decor will feature brown, persimmon and gold, with glazed ceramic tile floors and oiled oak furnishings.

Building Firm Executives Discuss Changes in Banking

TWO MEN who vividly remember the trends in banking facilities over the past 30 years are Carl Weis and William Cann, top executives of Bank Building Corp., St. Louis, said to be the nation's largest bank construction firm. Mr. Weis, who joined Bank Building in 1949, was recently elevated from senior vice president to president, and Mr. Cann, who has been with the firm since 1948, is now vice-chairman. The two men reminisced about bank facility trends during a recent exclusive interview with MID-CONTINENT BANKER.

Back in the days following World War II, Mr. Cann said, remodeling was necessary to accommodate then-new posting machines. A result of the installation of these machines was additional space for remodeling, since one machine could do the work of several humans in a more compact area.

In the past, Mr. Weis said, when a bank's premises became crowded it simply enlarged them, adding about 10% more space. It was as simple as that, he said. Today, the situation is approached from a much more businesslike basis—the economic feasibility route that determines project details by means of studies. The package of front-end services now supplied by the bank building expert plays a large role in determining the profitability of the facility for the client.

This is a completely different approach from that of the days when little time was spent in the study of market area profiles, or the use of computer programs to analyze census tracts, he said.

An important development in the bank building industry was the authority granted to financial institutions in many states to establish branches. This triggered a solid growth period for institutions and builders in the 1950s.

Drive-ins, as we know them today, were virtually unknown in the early '50s, Mr. Cann said. Some banker got the idea to cut a hole in the wall of his bank so he could install a primitive drive-up window. This resulted in the development of the drive-in concept, which brought a need for the creation of traffic-flow studies and sophisticated installations.

Another important development was the growth of the thrift industry, which resulted from the housing boom of the '50s, Mr. Cann said. S&L com-

petition forced banks to move out into the community and develop new services. Bankers came to realize they must place their institutions where the market is, and the market was becoming increasingly retail-oriented.

In the old days, Mr. Weis said, the bank president was the kingpin. He owned most of the stock and made the most important decisions. He more than likely had one or two sons—or sons-in-law—coming up behind him. If he built a bank building, it usually was a monument to himself, whatever the cost.

Today's bank president is likely to be a graduate-degree holder, a trained professional manager—and perhaps not a major stockholder, Mr. Weis continued. This new breed of president recognizes the expertise that bank building specialists now have and thus they don't hesitate to call on firms like Bank Building for advice.

Today's bank president is likely to find himself concerned about the cost of a new building, he said. He has to justify every expense and realize a return on his institution's invested capital. Construction costs have skyrocketed, as have salaries of bank personnel. Any technique that can result in the saving of costly space and labor means that the money saved can be placed toward the purchase of late-model equipment, the use of which can reduce operating costs.

Yet, Mr. Weis said, a substantial group of people don't like to be waited on by machines! Some financial institutions have learned this when they installed automated teller machines.

One of the advantages bankers contemplating a new building have today that they didn't when Messrs. Weis and Cann joined Bank Building is the package of services that provide economic, site location and marketing information.

These new services, available only for the past few years, Mr. Cann said, can assist a banker in determining the market potential of his bank's trade area; they can predict where population growth will be in the future; they can tell him if a site will develop problems as far as traffic flow is concerned. If too many negatives are predicted, it behooves a bank to stay put or think about relocating rather than putting up a new building on or near the present site.

Mr. Weis cited situations in metropolitan areas where banks have pulled up stakes and moved to different areas due to deteriorating conditions in their neighborhoods. He also cited instances of banks fighting to improve their neighborhoods and said they seldom receive the credit they deserve for their vigorous efforts.

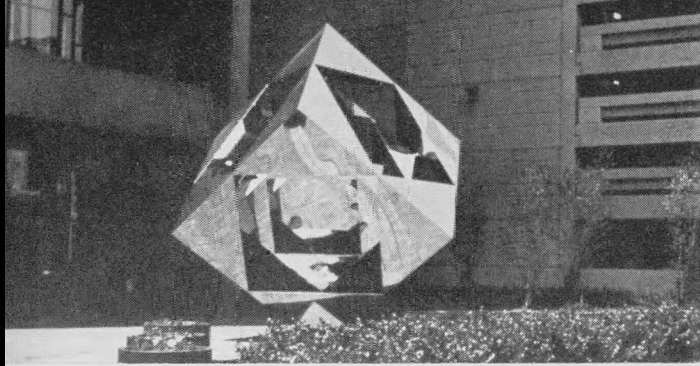
Mr. Cann took a look into the future. He sees the various types of financial institutions becoming homogenized in the years ahead. Thrifts will lose their interest differential and will be able to offer services similar to those now offered by commercial banks. Credit unions will become more aggressive and competitive. This homogenization will force individual institutions to identify and service specific markets. In turn, the marketing thrust of a bank or thrift
(Continued on page 42)



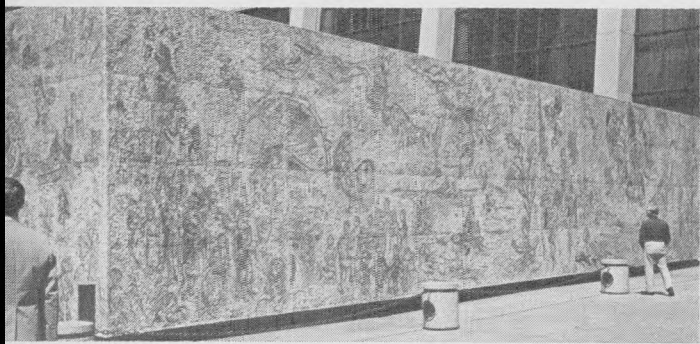
WEIS



CANN



This two-story-high, 4½-ton, stainless steel architectural sculpture stands at north base of new Mercantile Tower, which houses St. Louis-based HC, Mercantile Bancorp. Called "Synergism," work integrates tower's architectural triangle motif in series of three intricately arranged stainless steel cubes, one inside the other, and rests on north patio's tiled surface without noticeable support, perfectly balanced on one point of its exterior cube. It was created by St. Louis sculptors William Conrad Severson and Saunders Schultz and is said to be first major art work in St. Louis designed to integrate building's specific architecture and environment into single sculptural expression.



This Marc Chagall mosaic, "The Four Seasons," is located in First Nat'l Plaza in center of Chicago's downtown business loop. Part sculpture, part mural, part architecture, work is 70 feet long, 14 feet high and 10 feet wide—nearly 3,000 square feet on its top and four sides. It's made up of hundreds of tons of colored stone and glass from around world. Its cost was underwritten by William Wood Prince in memory of his adoptive father, Frederick Henry Prince, turn-of-century railroad financier. Work belongs to Art in the Center, nonprofit organization formed to own mosaic and for other public art purposes. However, upkeep of mosaic is maintained by Chicago's First Nat'l.



LEFT: Main Bank of Chicago's real estate and trust dept. features two major art works: Frank Piatek's "Osiris the Deadman's Starry Tree" (l.), oil on canvas, and Keith Morrison's "Under the El," also oil on canvas. Both artists are Chicago "imagist" painters.

BOTTOM: James Tosto (l.), pres., Main Bank, Chicago; Sidney J. Taylor (r.), ch.; and Roberta Aronfeld, marketing dir., meet in Mr. Taylor's office under Roger Brown painting, "A Sunday Afternoon at the Grand Slam," oil on canvas. Mr. Taylor began bank's art collection in 1972 with acquisition of this work. Collection since has grown to 24 major works.



From Photos Art Is Important

BANK BUILDINGS used to be strictly utilitarian and contained only what was needed to conduct banking business. However, in recent years, the trend has been for these structures not only to have unusual interior and exterior designs—a bank building often is the showplace of its community—but also to make use of art and sculpture inside and out.

The St. Louis area's Mark Twain banks, for example, have a permanent contemporary art collection so extensive that even with annual rotation, a bank's customer will see fresh new displays



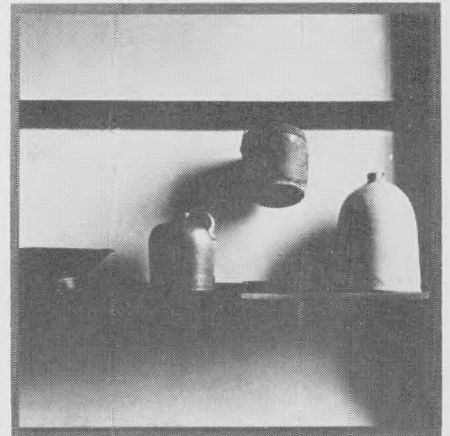
Focal point of lobby of new home of First Nat'l, Sioux Falls, S. D., is this 58x11-foot copper relief sculpture mounted directly above tellers area. Conceived by William Saltzman of Minneapolis, professor of art, Macalaster College, it is his conception of expansion and growth that banking promotes in a community. Work has more than 300 pieces of artistically perforated copper shafts, which required about 1,000 screws to mount. First Nat'l also has hung throughout its building 40 photos taken of Sioux Empire by Joel Strasser.

Outdoor Sculpture, at Many Banks

TOP: Overlooking pool at Citizens Fidelity of Louisville's Zachary Taylor Office is this bronze sculpture, called "Landscape." Created by local artist Barney Bright, it has drawn architectural students from around country and has been featured in architectural magazines since it was installed in 1958.



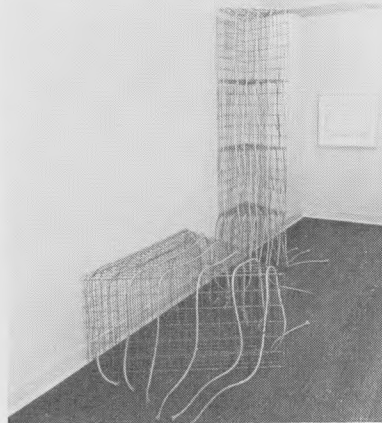
SECOND FROM TOP: This is sample of black and white photos of Shaker objects Citizens Fidelity of Louisville selected to display as link between bank and heritage of its region.



each year for 10 years.

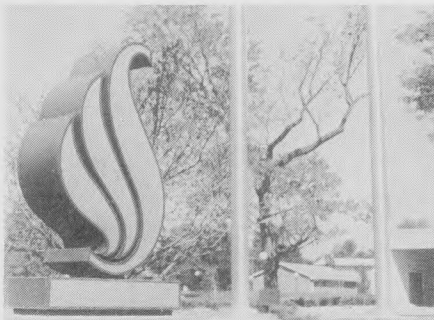
As a spokesman for these banks points out, lobbies filled with art and paintings provide a warm change from the vinyl paneled sterility of many bank buildings. Customers return with friends to show them exhibits, thereby attracting potential customers into a bank. The press considers the shows truly newsworthy, unlike the traditional ribbon cutting, and provides the Mark Twain banks with thousands of dollars of free coverage each year.

Examples of the way various banks make use of paintings and sculpture appear on these pages.



ABOVE: Mark Twain banks, located throughout St. Louis County, Mo., feature various works of art, including this wire construction by Susan Eisler, asst. professor, fine arts dept., Florissant Valley Community College, St. Louis County.

RIGHT: Robert C. Butler, pres., Mark Twain Nat'l, Ladue, Mo., and Sheila Weaver, sec., view Ernest Trova work to be hung in bank.



This sculpture-like version of logo of Security Nat'l, Kansas City, Kan., decorates area outside bank's new facility, Security Nat'l Bank/West (partially seen at r.). Graceful design makes logo seem to be "waving" in its park-like setting.

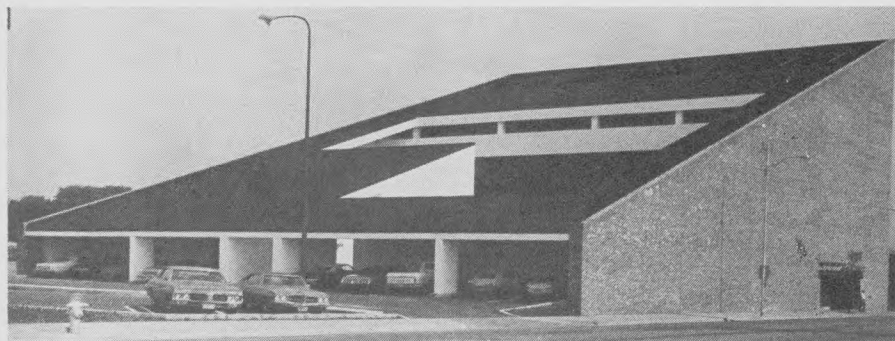
Elaborate Italian glass mosaic has been erected in lobby of First State, Conway, Ark. Located on panel facing north entrance to bank, it was designed by mosaic artist and sculptor Merritt Yearsley of Dallas. Creation includes more than 120 shades of glass, manufactured in Italy by family now in fourth generation of creating this unusual glass. Mosaic—30 feet wide and three feet high and containing 280 pounds of glass—represents four areas that have played part in heritage of Faulkner County and central Arkansas. They are: education,

industry, agriculture and recreation. At far left on mosaic is recreation section depicting area's abundance of lakes, streams and rivers. Next is education, depicted by group of graduates in caps and gowns in front of school-type building. Industry is next and is represented by industrial buildings. At extreme right is agriculture, symbolized by several types of cattle, part of soybean and rice field and farm equipment.



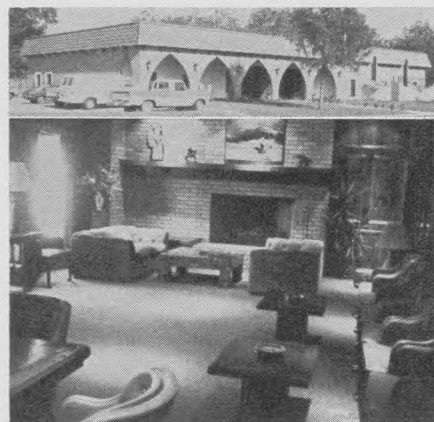
A Showcase of New and Renewed Facilities

IMAGINATIVE might be the best word to describe the new and renewed bank facilities that have been opened during the past year in the Mid-Continent area. Innovative architectural designs have been transformed into brick-and-mortar buildings that are enabling banks to offer services to their customers more efficiently than they did in the past.



This is the striking headquarters building of North Fort Worth Bank, a five-story structure combining the new and the old. The contemporary pyramidal configuration is constructed of brick salvaged from old buildings in the nearby Fort Worth stockyards. The old bank building was incorporated into the new design, in order for operations to continue throughout construction. The bank has 24 inside tellers windows and 10 drive-up lanes. Reflecting the historic aspect, on display during the bank's grand opening was the Confederate flag used by Robert E. Lee at Appomattox in 1865.

Please see page 36 for more bank buildings from in and around the Mid-Continent area.

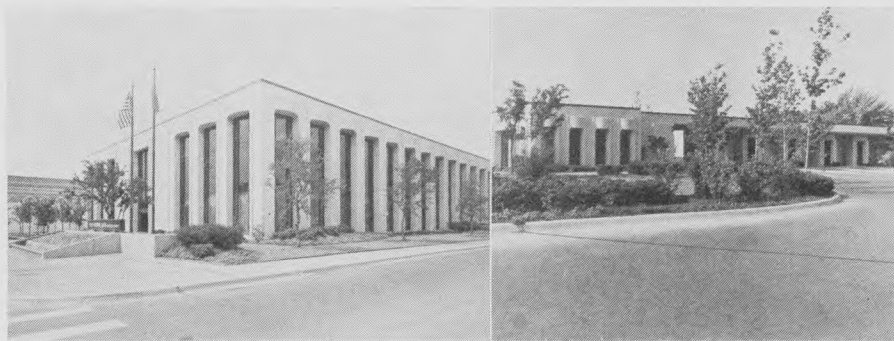
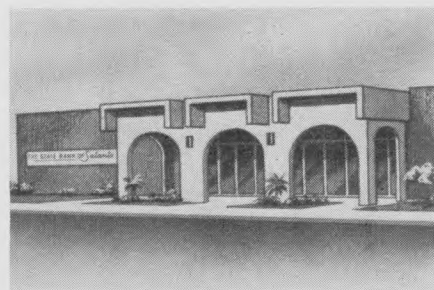


Headquarters for City Savings Bank, DeRidder, La., is this Spanish Southwest-style building. Large cedar beams, a red tile roof, stucco and Mexican tiles are used inside and out, with the interior having a beige/brown and blue color scheme. The lower photo shows the board room, which also serves as a community room featuring a living-room atmosphere accented by the wood-burning fireplace. In the Latin style, the building has an enclosed patio for dining.



Olton (Tex.) State is quartered in this remodeled and expanded building. Additions include a covered all-weather drive-up, computerized bookkeeping, a trust department, a rental office and a large basement for storage. A clock now hangs at the building's main street corner and provides time and temperature. The community room (bottom photo) includes a complete kitchen, while a divider can be drawn across the room's center, enabling it to handle more than one event at a time.

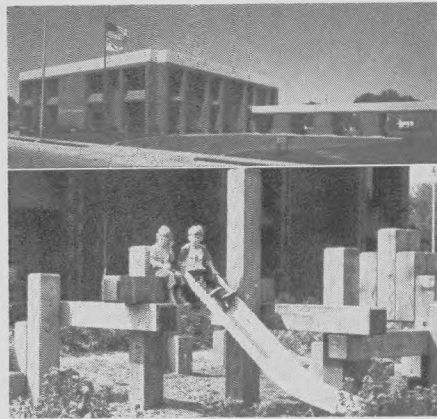
The rounded arches at the entrance of State Bank, Satanta, Kan., are offset by the squared overhanging pieces above them. The building has 6,700 sq. ft. of space on its ground level and 2,500 sq. ft. of space in the basement. The "Fiesta Room," a community room, is available to the public and will accommodate 60 persons.



The facilities of First Nat'l, Ardmore, Okla., are located on two separate sites, with the Main Office and customer parking on one site and the drive-up with a small attached lobby and employee parking on an adjacent block. **LEFT:** The Main Office is two stories tall and has been designed so three more stories may be added. The structure's exterior is faced with precast aggregate concrete panels of a sculptured and rounded design, creating a repetitive pattern of light and shadow. Recessed between the panels are large expanses of bronze-tint glass set in duronodic aluminum. The landscaping incorporates broad walks and plazas of exposed aggregate concrete within brick patterns. At l. can be seen the bank's waterfall. **RIGHT:** The design of the drive-up is an expression of the Main Office in miniature. There are six lanes and provisions have been made for two additional lanes. A walk-in facility features three tellers stations and areas for special services and seating.



Robertson Banking Co., Demopolis, Ala., is the oldest bank in Marengo County, so its new home is an adapted and restored three-story red brick building representative of commercial architecture of the 1890s. Inside, the atmosphere of the last century has been captured, as seen in this photo of the first floor, through the use of muted colors and indirect lighting. The tellers counter (r.) follows the style of the antique furniture that is used.



First Nat'l, Effingham, Ill., is headquartered in this energy-conserving building that has designed-in convenience features for the handicapped. The brick exterior is highlighted by solar bronze windows and harmonizes with the architecture of Effingham's downtown business area. Special areas have been set aside within and outside the building for displays and a "Tot Lot" playground area is bordered for safety with a berm of bark- and ivy-covered earth to cushion falls. Bank officials say the timber-form play equipment often is mistaken for sculpture.

Northwest Nat'l, Fayetteville, Ark., operates from this building, which is of brown brick, smoked glass and oxidized metal. The expanse of glass provides an excellent view of the surrounding area, and a brick floor enhances the foyer and tellers area. The remainder of the bank's interior is carpeted. Northwest Nat'l is accented with a variety of plants and original art work that carry out the contemporary decorating theme. The bank's 24-hour automated teller is completely covered and the three drive-up lanes are served by a teller in the far left section. ➡➡➡



Brick parapet walls ranging in color from buff to dark beige dominate the exterior design of Rogers County Bank, Claremore, Okla. A bronze-finished metal fascia and full-length solar bronze windows accent the building's front; the bank's drive-up was refurbished to complement the design. Rogers County Bank's canopied drive-through protects customers entering the lobby in bad weather. Inside, terra cotta and burnt orange dominate and a fireplace is the center of attraction in the oak-paneled waiting area. Also decorating the open-space interior are several original paintings, including a valuable oil of Will Rogers.

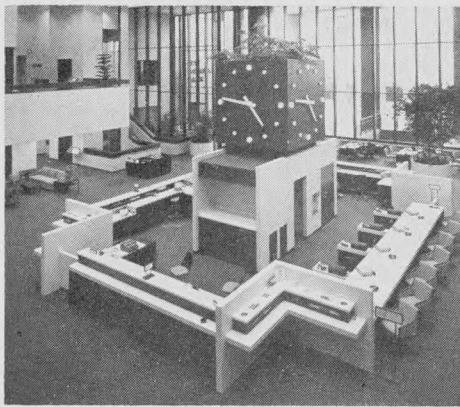


City Bank, Jackson, Mich., is located in Jackson Square, a commercial park at the town's center. The bank's building and a Sheraton Inn (not shown) are constructed over a 460-car parking lot from which the bank may be entered. A covered shopping mall is located between the hotel and bank, and the remote drive-up is accessed easily from one of the area's major thoroughfares.



A highlight of the interior of Security Bank, Miami, Okla., is the staircase leading to the mezzanine; both are decorated with stucco and heavy wooden moulding. The interior is decorated throughout with natural browns and greys, wood finishes and contrasting ceramic tile. Exposed brick interior walls and redwood beams and columns reinforce the western contemporary appearance and carry out the exterior design theme. The bank's exterior features garden walls that partially screen the parking area while a fountain and landscaping give warmth to the surrounding area.





LEFT: The lobby of City Nat'l, Wichita Falls, Tex., has a 34-foot-high ceiling with skylights that spotlight the free-standing tellers island. Floor-to-ceiling windows overlook a sunken courtyard with a pool and waterfall at its center. RIGHT: The drive-up continues the "rectangle" theme with heavy stone elements in evidence throughout.



Two-story-high windows highlight the entrance to First State, Larned, Kan. The interior features a centrally located open-space lobby surrounded on three sides by offices and by the tellers line on the fourth. A three-lane drive-up is to the rear of the building and uses underground pneumatic tubes.



The new Main Office of Citizens Bank, Hartselle, Ala., is three stories tall and has drive-up facilities in a separate building on its lot. The Main Office design is massive brick vertical columns that surround the window areas. Offsetting the verticals are horizontal lines of aggregate concrete that shade the first- and third-floor windows from suniight.

NABW Elects Anderson To Top Post; Calliham Is Named Vice Pres.

Bette B. Anderson, assistant vice president, Citizens & Southern National, Savannah, Ga., has been elected president, National Association of Bank-Women Inc., for 1976-77. She succeeds Betty L. Steele, vice president and secretary, Brenton Banks, Inc., Des Moines, Ia.

Other new NABW officers are: vice president, Edith E. Calliham, vice president, First National of South Carolina, Charleston; secretary, Patsy T. Barnes, vice president, American Bank, Baton Rouge; and treasurer, Josephine M. Webster, vice president and investment officer, American Fletcher National, Indianapolis.

Fifteen regional vice presidents were elected for the coming year. They and the regions they serve are: *Florida*—Claire M. McMillen, assistant vice president, Flagship Bank, Orlando; *Lake*—



ANDERSON



CALLIHAM



WEBSTER



BARNES

Patricia Ann Enos, vice president, First National, Huntington, Ind.; *Middle Atlantic*—Joan L. Palmer, manager, Delaware Trust, Fenwick Island; *Midwest*

—Margaret Selfridge, vice president and board secretary, United American Bank, Wichita; *New England*—Rosalie A. Simeone, vice president, Natick (Mass.) Five Cents Savings Bank; *North Atlantic*—Helen R. Wetzels, vice president, cashier and trust officer, First National, Waterloo, N. Y.; *North Central*—June P. Hanson, assistant vice president, Second Northwestern National, Minneapolis;

Northwestern—Esther M. Murphy, assistant vice president and manager, news bureau, Seattle-First National; *Rocky Mountain*—Betty B. Perkins, vice president, First National, Albuquerque; *South Atlantic*—Mary P. Carlton, vice president, Bank of Virginia Co., Richmond; *South Central*—Joyce M. Hardwick, assistant vice president, Security Bank, Corinth, Miss.; *Southeastern*—Annie Rose Reynolds, vice president, North Carolina National, Raleigh; *Southern*—Paulette Whitworth, vice president, First American National, Nashville; *Southwestern*—Melda A. Rice, senior vice president, First Jacksonville (Ark.) Bank; and *Western*—Jane Vasconcellos, vice president, Bank of Hawaii, Honolulu.

Elected to serve two-year terms as quadrant directors are Donna S. Legan, vice president and branch manager, Merchants National, Indianapolis, for the Northeastern Quadrant; and Jane McGavock Smith, vice president, First & Merchants Corp., Richmond, Southeastern Quadrant.

Raffle Prize:

Bicentennial-Quilt Exhibit Is a 'Thank You' to Bank

Customers of Palatine (Ill.) National have seen the area's first exhibit of a Liberty Bell quilt made by 20 workers of the Palatine Township Senior Citizens Center.

The Center's director was on hand for the occasion, explaining details of the 90-inch by 180-inch quilt to visitors and selling raffle tickets for the work.

The Center director was dressed in a bright red-and-white Martha Washington dress and the display consisted of the quilt hanging from the institution's balcony rail, a maple rocker and an old-style sampler that extolled the many pleasures of a warm, home-made quilt.

"The Center chose Palatine National as the first place to have the display," the director said, "because the people here have been so nice to us and have helped the Center in so many ways."

The quilt later was exhibited throughout the area.

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Keeping Employees 'Cool' While Moving Them To Their New Locations

By ROSEMARY McKELVEY
Managing Editor

OVER several months, or perhaps years, you've made the decision to remodel your old building or erect new quarters; you've looked at other bank buildings for ideas; you've had representatives of various construction firms call on you soliciting your business; you've talked with architects; and, finally, you've approved building or remodeling plans, and actual construction begins.

As the time for unveiling the new or remodeled quarters approaches, there's one important detail that shouldn't be overlooked: moving your employees; that is, keeping them informed of progress on the project, preparing them for the actual move. All kinds of rumors can fly during a building or remodeling program. Although these rumors may be harmless, it's better for banks to keep their staffs informed. Then, not only do the employees themselves have the correct information, but they also can answer knowledgeable customers' questions about the scheduled move.

St. Louis' Mercantile Bank and CNA

Insurance Corp., based in Chicago, are excellent examples of how to handle employees during a moving program.

Mercantile Bank began moving employees into its new 35-story Mercantile Tower in September, 1975, and completed the moving job early this year. However, in August, 1975, about a month before the first contingent of employees was moved, the bank's marketing, advertising and public relations department began publishing a newsletter called *Mercantile Moving Memo*. Put together by Marj Longo, the memos were designed to keep every employee of the bank "fully informed as to the when and where regarding department moves into the new tower, the renovating of and moves into the main bank building and the innovations built into the Mercantile Tower."

The first memo, dated August 20, 1975, revealed that the first moves into the tower were scheduled for the weekend of September 19 and that all moves would be made over 11 consecutive weekends and affect some 1,600 staff members. The memo went on to tell about orientation programs that would be held each Wednesday for department personnel scheduled to move the

following weekend. It also emphasized that no employee was expected to work the weekend his or her department was moved; he or she was just to leave the old location on Friday and report to the new one the following Monday morning. As the memo pointed out, the bank's operating department was to take care of the moving.

Subsequent memos described various aspects of the new tower, including its TRAM automatic distribution system, accompanied by a drawing of it, and the new Centrex telephone system and various bits of information about the tower, such as how many eight-hour man days were needed to build it. Because the tower elevators are competently computerized, one memo emphasized the importance of pushing only the up or down button—not both—and of not standing in an elevator doorway. As the memo pointed out, these actions cause confusion in the computer's "brain" and delay a car from proceeding to its next destination.

Each memo listed the particular department that was to move the following weekend. Changes in the moving schedule and reasons for the changes were announced in the memos. Thus, all Mercantile Bank employees knew what was going on, not just those in the departments affected.

At first, the memos were published every week to 10 days, then every two or three weeks, as needed, and were discontinued after the moves were completed. They were distributed within the bank to each employee.

CNA Insurance Corp. has initiated a "Restacking Program" in conjunction with staff reshufflings at its home office in Chicago and at various regional offices around the country. The objective is to turn the moves into fun projects for employees as much as possible.

About a week before a department is to be moved, CNA sends an "alert" letter to employees involved in that move. Bearing a caricature of the late W. C. Fields with smoke pouring from under his straw hat, the letter is headed, "Don't Blow Your Stack!" The latter word is tied in with CNA's description of the various moves as office "restacking." The letter assures recipients that the firm will handle everything: "We'll move your desk, chairs, office equipment . . . anything that's yours from the pictures of your family to your flowering begonias." The letter tells the employee when his or her department is scheduled to move and points out how the move will result in improved work flow and ease of operations.

Then, the day before each move, in an extremely lighthearted vein, CNA distributes "survival kits" to employees being moved. These kits, plastic tote

(Continued on page 92)



Employees of CNA Insurance Corp., Chicago, enjoy coffee and rolls after completing move from one location to another. CNA provides free refreshments for staff members of each department after it's moved. Firm also distributes "survival kits," which contain headache tablets, stomach powders, etc., and candy bar. In addition, each employee receives plant from CNA on first day he or she is at new location.

TELL US WHERE YOU WANT IT



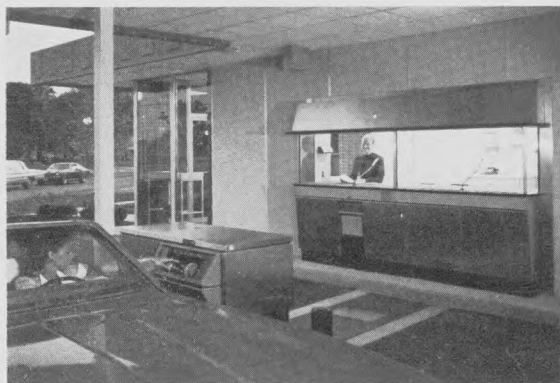
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When Banks Are Undecided About Building, Relocatable Structures Could Be Answer

WHAT EFFECT will automated teller machines (ATMs) or point-of-sale (POS) terminals have on construction of new remote branches of banks? How does a banker determine the size of a facility, type of construction and amount of dollars to spend on installing a new facility?

One answer during this period of uncertainty could be to use preconstructed, relocatable buildings. Such structures, say their manufacturers, can be erected quickly and inexpensively, and banks can conduct business from them while conducting in-depth studies to determine whether permanent buildings or ATMs—or perhaps anything at all—should go there.

For instance, Commercial National, Kansas City, Kan., was confronted with the problem of getting a facility into operation as soon as possible to meet competition in a certain geographic area. The bank didn't want to spend a large amount of money on building this facility without knowing what size or type of building would be needed.

The bank called on Son Corp., Wichita, to deliver and install a permanent, yet transportable, building that would be used from two to six years. During this time, Commercial National will have an opportunity to determine exactly what size and type of building it wants to construct, if, in fact, the location itself proves to be successful. In other words, the bank was given a chance to "breathe" and scrutinize the overall project—building size, location and effect of ATMs and POS terminals on the branch facilities.

According to Son Corp., Commercial National reduced its capital building

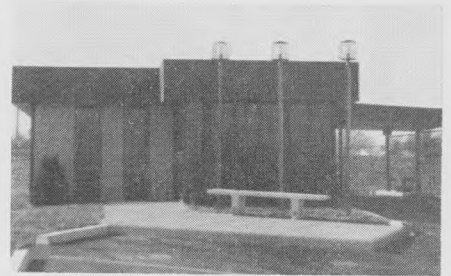
expenditures considerably. In fact, says Son, if the structure is transported to another location and utilized as a permanent branch, then all monies spent on it will be recovered by eliminating most of the building and equipment cost of the new location.

The building itself was erected to match Commercial National's downtown motor facility, with the same type of exterior cladding, overhang and fascia. The bank thus was able to maintain a similarity to present architectural designs.

Lloyd Burton, vice president of the bank, said another benefit the bank derived was that all of the top banking personnel could continue with their bank duties. No one was assigned as a full-time construction project manager, and so many personnel dollars were saved.

The new Commerce Bank, Grandview, Mo., opened for business recently in a relocatable building supplied by Space Rentals, Bala Cynwyd, Pa. The 1,440-square-foot modular structure was delivered to the bank site by the firm's Kansas City office and was installed and made ready for operation in just 30 hours by the bank's own contracting firm, with Space Rentals personnel supervising.

According to Norman Holst, director of real estate for the bank's parent HC, Commerce Bancshares, Kansas City, the bank decided to use modular construction to help satisfy a rigid time frame and to afford itself the option of moving the new structure to a future facility location. Mr. Holst expects that the Grandview building will be replaced by a conventionally constructed building



This permanent, yet transportable, building is being used by Commercial Nat'l, Kansas City, Kan., to house facility. By turning to relocatable building for its facility, bank was able to open for business fast, yet still have time to study location to see whether it will warrant erecting permanent building later.

and then the present building will be moved to a rural location and reinstalled for permanent use.

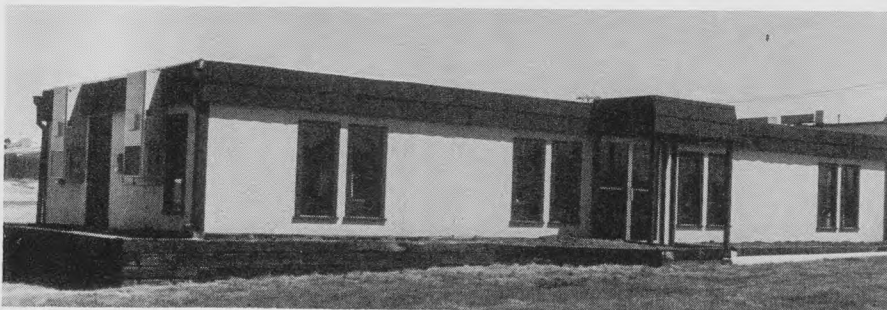
The structure's interior has four tellers windows, a large customer work area and four new business desks. There also are private offices for bank management, employee lounges and storage space. In addition, there are a drive-up window and night depository. Only the specialized bank equipment in Commerce Bank of Grandview was not provided by Space Rentals.

In discussing the place of modular temporary/permanent structures in the Kansas City area, Mr. Holst believes there will be wider acceptance among some area banks. However, he says he doubts that the modular buildings will replace brick and mortar in general facility banking.

Mr. Holst adds, "With the advent of electronic funds transfer and ATMs, and the growth of paperless money systems, the banking industry is forced to look even harder at any capital expenditures. Modular construction is one substitute that allows a bank to sit back and review its markets."

Lincoln Bank, Ardmore, Okla., found a relocatable building the answer to a problem it was having with a planned off-premises ATM installation. The bank couldn't locate the ATM on the prime site at a shopping center it really wanted for 12 months, but it didn't want to put off installing an ATM in that area that long. Therefore, the bank turned to Cawthon Building Systems, De Soto, Tex., for a free-standing, relocatable building to house its ATM until the permanent site was available.

"We learned very early," says Larry



This relocatable building, supplied by Space Rentals, Bala Cynwyd, Pa., houses new Commerce Bank, Grandview, Mo. Modular structure, which contains 1,440 square feet, has four tellers windows, large customer work area, four new business desks, private offices for bank management, employee lounges and storage space, as well as drive-up window and night depository. Bank plans to replace it eventually with conventionally constructed building and remove this structure to another location.

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Cawthon, the firm's president, "and again with the assistance of the Lincoln Bank in its constructive comments, that there is a unique demand on an air-conditioning system in the ATM facility. In fact, it is entirely possible on some days that cool air may be required in the machine room of the building while heat is required in the lobby side. Conversely, a slanting sun can generate a great deal of heat through the glass of the lobby while the well-insulated equipment room remains relatively cool. Thus, air conditioning with a dual control was developed and has proved to be very satisfactory."

Since designing the Lincoln Bank



This free-standing structure at shopping center houses ATM of Lincoln Bank, Ardmore, Okla. Bank couldn't locate ATM on prime site it wanted for 12 months, and so it installed ATM in this building until desired site is available.

ATM facility, Cawthon has modified the original and popular design of a single-door front entrance to the lobby in some cases to provide entry at each side of the lobby. This accommodates traffic flow from both sides of a building that may be placed adjacent to a driveway on the one hand and a sidewalk on the other, continues Mr. Cawthon.

As Cawthon continues to research and gain information, it reconfirms that the large full glass-enclosed lobby is very important. One banker told the firm of people standing in line all the way out of the doorway to use the machine. In such a case, the lobby must be made larger, and double doors can be provided at the front so that incoming and outgoing traffic won't meet.

To meet the growing financial needs of the expanding agricultural area of Shelbyville, Ind., Farmers National has installed a Diebold Mini-Branch directly behind its main building. The structure, which provides a quick, convenient and inexpensive satellite office, was delivered and opened for business in 90 days by Diebold's Clearwater, Fla., subsidiary, Diebold Contract Services, Inc.

The 12-by-40-foot branch includes one Diebold Double Thru-Way Drive-In Window and one Diebold Visual Auto Teller located on each side of the building. This arrangement enables tellers to accommodate four customers at one time. Farmers National points out that space and facilities exist to permit two more Visual Auto Teller units on each side, plus a Diebold lobby walk-up teller.

When delivered, the Diebold Mini-Branch was installed with Diebold security, alarm and operations equipment, as well as electrical, plumbing, air-conditioning equipment and furniture, all part of the complete Mini-Branch package. • •

Every Second Counts:

Poison Centers' Systems Are Donated by Banks

Poison management and information systems have been presented to two area hospitals by Detroit Bank-Southfield and Detroit Bank-Livonia. Recipients of the systems were Providence Hospital in Southfield and Livonia's St. Mary Hospital.

The Poisindex System, as it's called, consists of an "ever growing" data bank of computer-generated information on poisonous compounds and their corresponding treatments. Besides containing all information found in the Department of Health, Education and Welfare's Clearinghouse Cardex, Poisindex includes compound ingredient ratios and formula information gathered from pharmaceutical, commercial and industrial chemical, paint, grocery, hardware, cosmetic and over-the-counter drug industries throughout the world.

Users of the system are provided with desk-sized microfiche readers and a notebook-sized film file of microfiche cards, each containing more than 2,000 entries. After locating the suspected poison on the reader, the operator then can locate the proper medical procedure for treatment of the compound. The process is said to take less than 25 seconds.

Building Executives

(Continued from page 31)

will determine the design of its new building. Efficiency will be the byword in all cases.

Mr. Weis sees a period of indecision regarding EFT services in the near future. While there are common goals and needs among all facets of the financial industry for EFT, he said, diverse ways of attaining them will be pursued. Bankers are concerned about spending the experimental money necessary to automate services, he said.

One thing for sure, Mr. Cann said, is that retailers will not want to be saddled with doing a bank's work. If they are going to have POS terminals in their stores, he said, they will make sure they make the rules and reap the majority of benefits.

Mr. Weis said the period of indecision will have little effect on the bank building industry. The demand for facilities will continue high. In fact, he said, a significant increase in business is seen in the 200-plus contracts Bank Building averages annually. • •



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Designing a Building That Reflects Character Of Bank and Community

By ROSEMARY McKELVEY, Managing Editor

WHEN a bank decides to erect new quarters or remodel its present home, many decisions have to be made, of course, from the design of the new or remodeled structure to the color of the draperies in the CEO's office. Although the finished product should reflect the character of the bank itself, it also should complement the community the bank serves. In other words, a bank building should be designed so that those who enter it feel comfortable there and find doing business there a pleasure.

For instance, when First & Peoples National, Gallatin, Tenn., decided it had to move to new quarters, officers realized the new structure must meet two criteria: Its design must fit in with a historically minded community, and its new location—away from the city square, where it had been doing business since 1890—must be accepted by local residents. The new location is three blocks from the square and four blocks from its old quarters.

The answer to the first problem, fitting in with a historically minded community, came in the building's design—

colonial style, with interior elements (tellers windows, paneling, lighting) designed by the architect to complement this style. The interior decorating theme also is traditional, with a soft green and gold color scheme and carpeting throughout the lobby, officers area and private offices. According to Beverly Anderson, interior decorator, with the Nashville firm, Interior World, all this provides a gracious warmth, with customers remarking that they feel right at home. "The lobby feels just like my living room," one customer remarked.

This inviting atmosphere is enhanced by soft cove lighting with two large brass Williamsburg-styled chandeliers in the raised ceiling area over the main lobby.

Gallatin residents have taken an active interest in the bank, sparked by the hanging throughout the building of local artists' paintings, with special gallery space provided in areas planned for future growth. Tennessee sculpture also is highlighted in the bank.

The total effect, says Mrs. Anderson, is one of warmth and a "come in, feel at home, talk personally and privately with your banker" atmosphere. Thus, the move from the square, made in October, 1975, has been accepted by residents. The former bank building on the square was redecorated and now serves as a branch of First & Peoples National.

Mrs. Anderson, along with James M. Wilson, architect and engineer, organized, in 1971, Interior World, described as a total design service for banks. Its main objective, say Mr. Wilson and Mrs. Anderson, is to achieve unity in design, to see that a building's exterior and interior are planned so that they complement each other.

To achieve this objective, Mr. Wilson begins by talking with bank officers to determine spaces required, then draws the floor plans and discusses furniture arrangement with Mrs. Anderson. As they put it, "Form follows function." The exterior then is designed and, from the beginning, the building is planned to be both functional and beautiful.

Interior decorating is coordinated with the exterior design, and then col-



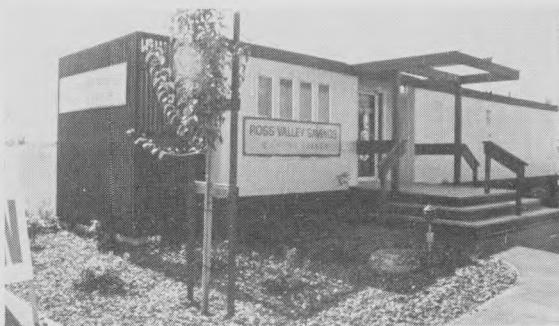
TOP: Lobby of American City Bank, Tullahoma, Tenn., features enlarged versions of nickels and pennies on wall behind tellers area and aquarium (c.). Ceiling over this section is raised to 17 feet. All projects described in accompanying article were carried out by Interior World, Nashville.

SECOND FROM TOP: Exterior of American City Bank has contemporary design, with graceful arches supporting entrance portico.

THIRD FROM TOP: Remodeling program at West Cookeville Branch of First Nat'l, Cookeville, Tenn., produced homelike atmosphere in lobby. Upholstered chairs in foreground are in customer lounge area.

SECOND FROM BOTTOM: Tellers counter (r.), customer lounge area (l.) and check-writing desks (one is shown in foreground) are efficiently integrated in remodeled West Cookeville Branch of First Nat'l, Cookeville.

BOTTOM: This standard building design was used for new quarters for three Commerce Union banks in Tennessee: Commerce Union of Murfreesboro's South Tennessee and Memorial Boulevard branches and North Locust Avenue Office of Commerce Union of Lawrence County, Lawrenceburg. Structure is of contemporary style and suitable for rural and urban communities.



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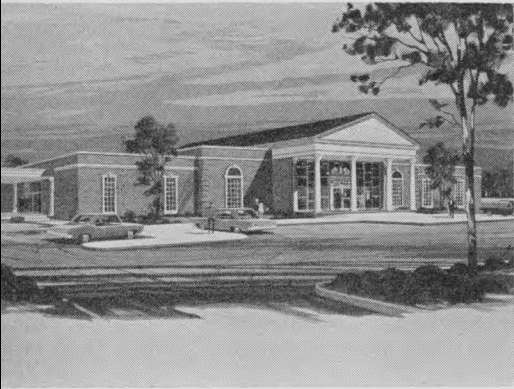
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LEFT: This colonial-styled building, which houses new Main Office of First & Peoples Nat'l, Gallatin, Tenn., fits in with historically minded community. **CENTER:** Robert L. Brown (l.), ch., First & Peoples Nat'l, shakes hands with James M. Wilson, architect and engineer with Interior World, Nashville. Firm handled bank's new-building program.



RIGHT: Beverly Anderson, interior decorator with Interior World, straightens portrait hanging in board room of First & Peoples Nat'l, Gallatin. Floor-to-ceiling draperies add homelike atmosphere to room.



ors of building finishes, carpeting, draperies, furnishings and accessories are selected. Each item, says Mrs. Anderson, is chosen not only for its design and color, but for its ability to wear well under commercial conditions.

Mrs. Anderson points out that by working with the banker in the early stages, she and Mr. Wilson are able to stay within the building budget and provide maximum value for each dollar spent.

Both Mr. Wilson and Mrs. Anderson point to extensive cost studies they've made to help those in charge of building programs determine expenditures required to achieve a certain size, style and atmosphere for a designated price.

Mr. Wilson has been in the architectural business 26 years and has completed more than 75 bank buildings in middle Tennessee. Mrs. Anderson has worked with him on 21 bank projects during the past four years. In addition to First & Peoples National, Gallatin,

the following are projects completed by Interior World (all are in Tennessee):

Fentress County Bank, Jamestown—Pure white aggregate concrete arches on the front of the contemporary-styled building dominate the exterior, which is composed of rustic local field stone and solar gray glass. The structure, planned with growth in mind, has an officers area that will accommodate two additional stations and is shaped in a curve surrounded by a carved walnut-paneled railing. Two additional private offices have glass fronts that afford privacy, yet provide an open look. The tellers area is large and has a counter behind it for easy working and storage. The lobby floor is of a resilient marble chip tile for ease of maintenance and to help reduce wear. Bookkeeping space also is large to allow for future growth.

Like the exterior, the interior is contemporary in decor, except for the private offices and conference rooms, which are more traditionally furnished. Available to the public is a community room, which can be used separately from the bank itself.

First National, Cookeville—In a remodeling program at this bank's West Cookeville Branch, the main objective was to incorporate a no-longer-desired community room into banking space and provide an attractive rear entrance as well as an enclosed area for a 24-hour teller. The building originally was designed in 1967, but the number of its customers increased so much that four additional tellers stations and a larger

lobby were needed. The latter now has ample customer waiting space.

The remodeling resulted in a new ceiling and lighting layout, which brightens and unifies the entire lobby, tellers and officers areas. Soft golds and greens replaced blues and greens.

Interior World's Mr. Wilson and Mrs. Anderson believe the main achievement in this project was to produce a building that looks newly designed, not just "made over."

American City Bank, Tullahoma—When plans were being drawn up for a building, consideration had to be given the fact that this was a newly chartered bank, thus, a plan was chosen that could be adapted easily to growth by providing extra space in the officers area and private offices. The bank is carpeted throughout for visual enlargement of the lobby and officers area. Private offices and conference rooms are furnished in traditional style.

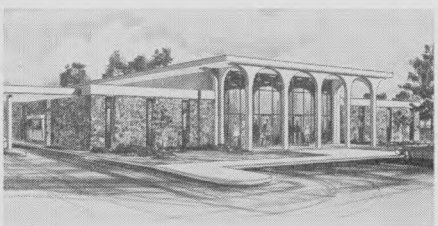
The design is contemporary, with an exterior featuring light brick and white fascia panels. There's a 17-foot raised center section over the lobby. A large bookkeeping and storage area and a comfortable employee lounge are part of the layout.

Contrary to lack of use of color and natural grays and browns so popular now, says Mrs. Anderson, American City Bank's color schemes reflect the owner's preferences and are designed to create warmth and visually stimulating interiors. There are rusts with browns, golds and bright orange accents, greens with yellows and natural woods, even red, white and blue when needed to further extend the image of American City Bank.

Commerce Union Bank, Nashville—A standard building design was used for new buildings for three Commerce Union banks—Commerce Union of Murfreesboro's South Tennessee and Memorial Boulevard branches and the North Locust Avenue Office of Com-



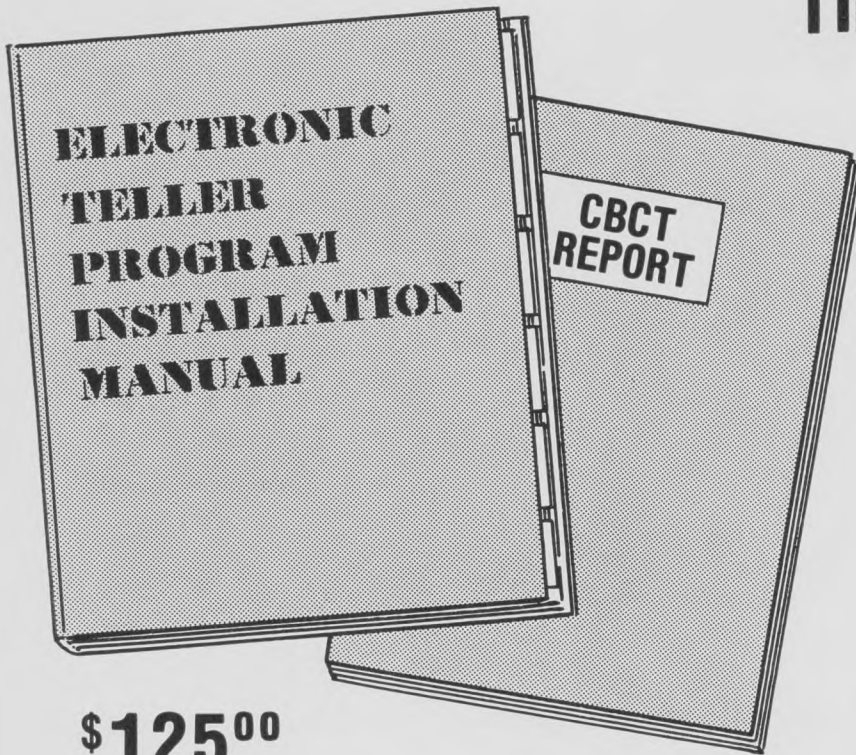
TOP: Carved walnut railing outlines curved-shape officers area in lobby of Fentress County Bank, Jamestown, Tenn. Two offices at rear are glass enclosed for privacy, but still have open look.



BOTTOM: Pure white aggregate concrete arches dominate exterior of home of Fentress County Bank, Jamestown. Building features combination of rustic local field stone and solar gray glass.

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In 275 pages, this manual tracks the Galesburg bank's ATM operation through market analysis, cost justification, installation procedures and results.

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merce Union of Lawrence County in Lawrenceburg.

The contemporary style, which is said to be adaptable for both rural and urban communities, is contemporary, featuring dark brick, solar gray glass and white aggregate panels. The interior also is contemporary, and there are two separate color schemes for two different sizes of branches.

An open lobby, with hard surface flooring, accommodates heavy traffic. Carpeting was installed in the officers and tellers areas. The conference room is wood and glass walled to afford privacy, but to be open visually. Lighting consists of recessed fluorescent for general lighting, but with a softening and decorative effect provided by chandeliers, bracket lights and lamps. ••

It's Like Chasing Your Tail: Wall Hides Renovation Work; 'Hiding' Ugly Wall Is Problem!

DETROIT—Detroit Bank faced a problem that probably has confronted many banks, a problem that made officials feel like they were "chasing their tails": The bank had an eight-foot-high, 90-foot-long retaining wall in its main office that served to hide an area



Discussing portion of mural in Main Office lobby at Detroit Bank are (from l.) Marie Henderson; C. Boyd Stockmeyer, ch.; and Rodkey Craighead, pres. Miss Henderson is head of art dept. at local high school, directed her students in artwork covering what had been plain, white wall hiding renovation work in bank.

under renovation. But the blank, white wall itself was just "plain" ugly!

The solution? Twenty-five area art students transformed the wall into a bicentennial mural entitled "Scenes of America." In return, Detroit Bank made a special contribution to the school's art department for purchase of art materials.

Six "topic" panels were developed

within the mural. The panels depicted people, locales, inventions and principles that have made this country great. Themes of the panels were "The Four Freedoms," "The Old West," "Inventions," "Scenes of America," "Politics" and "Hollywood."

According to a bank spokesman, more than 2,500 hours of work were spent on the project by the students during the four weeks needed for its completion.

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1st-Missouri Rate Recognized

JEFFERSON CITY—The prevailing prime rate of interest in St. Louis has been recognized by the U. S. Small Business Administration (SBA) for use by First Missouri Development Finance Corp., which is headquartered here, in loans made or participated in by the statewide business development corporation.

According to Jerry Stegall, First Missouri's executive vice president, the corporation will publish quarterly in Cole County the prevailing rate in accordance with its statutes. The rate, based on that prevailing in St. Louis on unsecured commercial loans, determines the rate of interest paid to First Missouri's member banks.

Mr. Stegall also said that the SBA's recognition of the prevailing rate base would permit more cooperation among First Missouri, member banks and the SBA on loans involving greater-than-normal risks.

First Missouri, under regulation of the Missouri commissioner of finance, specializes in lending to manufacturing and other businesses that create or retain employment in the state. "We expect at least one job for each \$10,000 loaned," Mr. Stegall stated.

UBAF Arab American Bank Emphasizes Industrial Loans, Bringing Investors Together

NEW YORK CITY—A new institution, UBAF Arab American Bank, has announced its plans to bring together investors of the West and the Middle East.

What the bank intends to do is emphasize commercial loans to finance industrial development of Arab lands by Americans and to trade major Arab currencies in the New York market.

President of the new bank is Kevin G. Woelflein, who said the institution will act as an adviser on American investments ranging from Treasury bills and other short-term deposits to longer term investments in the American economy. Mr. Woelflein formerly headed First Chicago Corp.'s Tokyo Branch.

Shareholders in the bank include UBAF—Union de Banques Arabes et Francaises, a French-Arab group headquartered in Paris—which has a 12% share; eight banks from Egypt, Kuwait, Jordan, Oman, Syria, Libya and Abu Dhabi, each holding 7%; Banque du Maroc of Morocco, 5%; Riyad Bank, Saudi Arabia, 2%; and Sudan Commercial Bank, Khartoum, 1%. Holding 5% interests each in the institution are

Pinwheel Creates Quieter Conditions



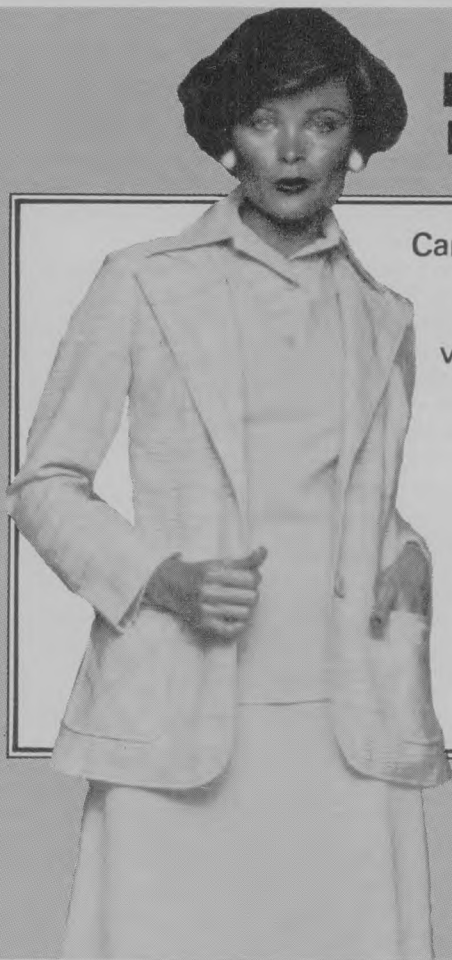
Employees at Equibank, Pittsburgh, are said to be speaking in quieter voices lately, thanks to the privacy offered by the institution's pinwheel-style cluster of movable partitions. A part of the bank's new 34-story building, the design provides a flexible approach to Equibank's continuously changing needs for space and works with other design factors in the structure to reduce energy requirements, a spokesman said. The bank is experimenting with several pinwheel configurations to determine which formation works best in various areas.

Bankers Trust, New York; First Chicago Corp.; Security Pacific Corp., Los Angeles; and Texas Commerce Bancshares, Houston. Small investors account for the remaining 4%.

According to Mr. Woelflein, the Arab shareholders in UBAF Arab American

Bank are a veritable "Who's Who" of finance in that corner of the globe and added that "We can introduce qualified American corporations to our shareholders and find people who can advise them wherever they want to go in the Arab world."

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Examples of Bank Building Designs

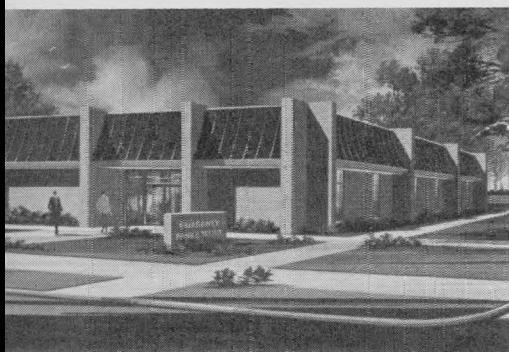


City Nat'l, Lido Village

A BUILDING chosen by City National, Beverly Hills, Calif., to house its new Lido Village Branch presented a problem of low ceilings and extensive ductwork to Cannell & Chaffin Commercial Interiors, Los Angeles, the firm the bank asked to design the branch's interior. The firm's senior project designer, Milt Patterson, wanted to save the bank the considerable expense that would be entailed in raising the ceilings and relocating the ductwork. He also wanted the branch to have a light-filled atmosphere that would appeal to customers. His solution was to install two large stepped-up luminous skylights by Integrated Ceilings that require just 18 inches of plenum, but look as if they go much higher. Thus

was created the airy feeling with a minimum of relocated ductwork.

The building chosen for the branch also had an asset: It's located right on Balboa Bay, which is the focal point for Lido Village. Cannell & Chaffin reports doing two unusual things. The first, at the request of the bank, was to provide an exterior walk-up window for yachting customers who may moor at the bank's dock, transact their business and sail away. The other was to make use of as many windows as possible. The firm placed furniture and bank equipment in such a way that every customer in the bank has a view of the bay and ships from every part of the public area.



Guaranty Bank, Hollondale

ECONOMY OF CONSTRUCTION was realized in the erection of quarters for the Hollondale Branch of Guaranty Bank, Belzoni, Miss. The 7,987-square-foot frame and masonry building came in at a cost of under \$30 per square foot, when the going rate now is \$55 in the Mid-South, according to Nationwide Building Consultants,

Inc., Memphis, which handled the project. This economy was achieved, says the firm, through a series of owner/consultant meetings during which the client revealed to the firm his philosophy and style of banking. This information was translated into the type, size and quality of building required.



Burbank (Ill.) State

THE NEW HOME of Burbank (Ill.) State has a graceful curved design to complement the corner site on which it's located. Designed to accommodate a future second floor, the structure is of masonry-bearing construction supplemented with steel framing. The future floor is of steel bar joist and concrete-topped metal deck construction. The first-floor structure is comprised of a combination of precast joists and a poured-in-place concrete beam and slab system whose advantages include speed of erection, structural integrity and fire-proof construction.

on the nine-position tellers line and safe deposit vault is instantaneous from the diagonal circulation of the entry. There also are a walk-up lobby and four-lane drive-up.

The crisp, contemporary exterior is of an exposed white marble aggregate finish with deep overhangs and large massing and is accented with dark bronze glass and mullions. The corner facing the street intersection is opened up to allow a view into the banking lobby.

Interiors are composed of bright striking colors and easily maintained finishes to accent and highlight the simple form and tone of the building design. Desks, tellers lines, counterwork and finishes are coordinated to unify the interior design.

To give the building visual recognition, the architectural firm of Mayes, Williams & Partners, Glen Ellyn, Ill., oriented broad expanses of glass to the public approaches, inviting a view deep within the bank's open interior. A focus



First of Petersburg, Ill.

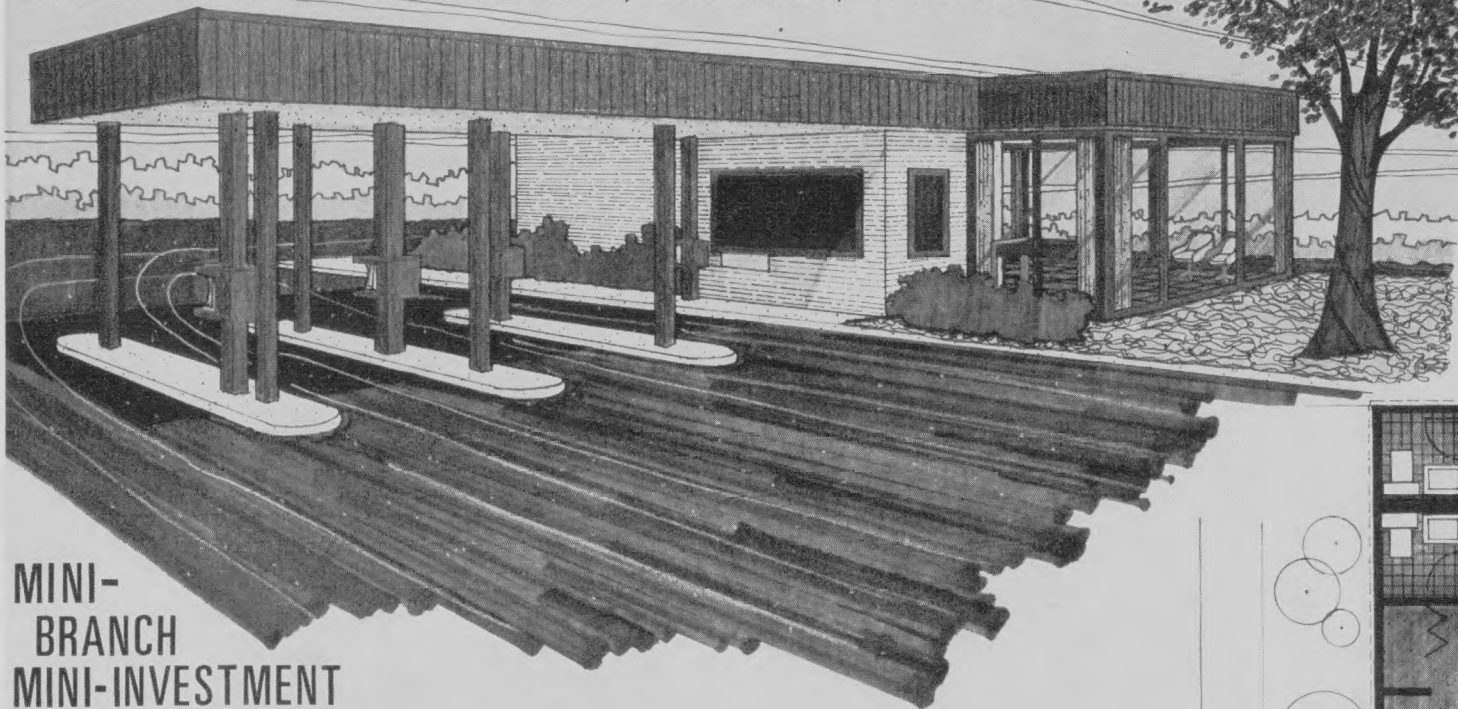
A UNIQUE and attention-getting building—functional, economical, yet architecturally pleasing—was required by First National, Petersburg, Ill., for its off-premises drive-up facility. A picturesque site in the "heart of the Lincoln country of Illinois" was selected on the bend of the Sangamon River

and Illinois Highway 97, at the south edge of the business district.

The 1,300-square-foot facility seems to blend in with its setting because of its exterior of natural materials, including feather rock, vertical wood siding, cedar-shake shingles and bronze ano-

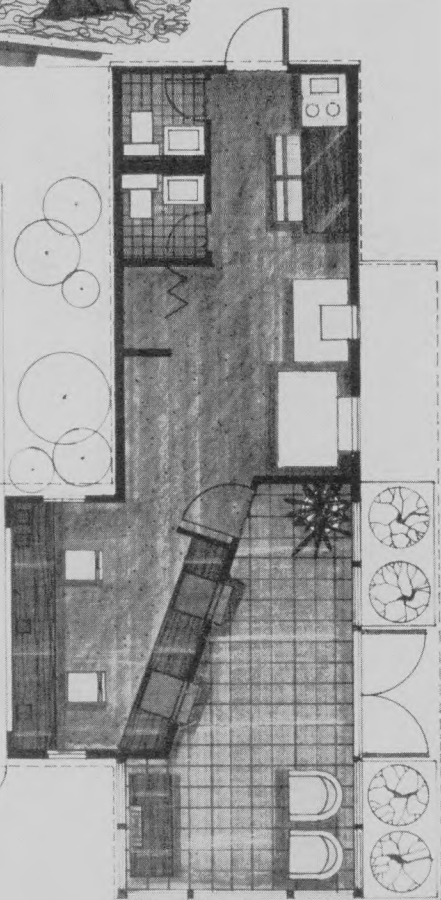
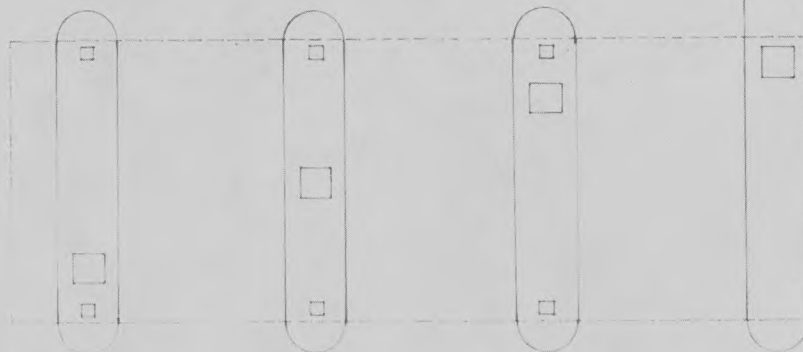
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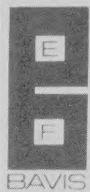


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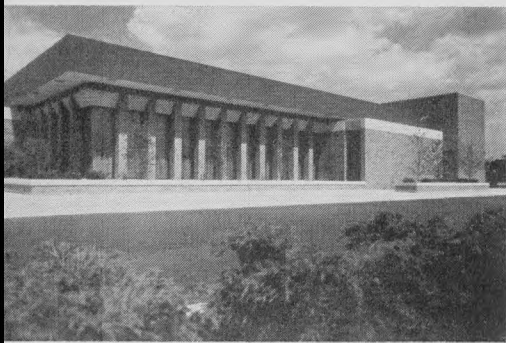
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Chicago Heights Nat'l

BECAUSE Chicago Heights (Ill.) National is located in a major shopping center, many studies of traffic flow and parking layouts were discussed by the new building's designer, the Glen Ellyn (Ill.) architectural firm, Mayes, Williams & Partners, with bank and shopping-center personnel to achieve the best arrangement for the bank. The result is a structure contemporary in design utilizing masonry for various reasons: economy, simplicity of design, spread of construction and ease of maintenance. Roof overhangs and one-inch bronze thermopane glass are set back from the face of brick fins to provide for a reduction in sun loads and allow substantial reduction in air-conditioning costs. Cost reductions also were realized in the structural and me-

chanical areas by using a simple steel frame and bar joist construction for the above-grade work. Below-grade work was all concrete, with the first floor being concrete beams and poured floor. The simple-duct mechanical system utilizes zoning to reduce heating and cooling costs.

Simplicity of design and ease of maintenance also are reflected in the interiors. Colors were chosen to complement the bank's exterior and to blend with its logo and tellers' career apparel.

There are five drive-up lanes, four of which are of remote kiosk design and one a commercial drawer unit. The design allows for a future second floor to be added along with an elevator and 24-hour teller.



First of El Dorado, Ark.

A NEW 30,000-square-foot, three-story building is the first step in a long-range expansion program begun by First National, El Dorado, Ark. The structure, built adjacent to the existing five-story bank building, also is tangible evidence of the 72-year-old bank's commitment to remain in its downtown location, yet expand to meet the growing needs of its customers.

The new structure has one story underground to house safe deposit and storage facilities. It has been designed to support additional floors. This capability will be utilized within 10 or 15 years in the next phase of a master plan—addition of four floors to the structure. The resulting seven-story building will house all banking facilities and commercial tenants at the site. Following the move of personnel and equipment into the new building, the

old one will be razed, and a completely open plaza will be constructed to link the bank to Union Square, a pedestrian mall, which is El Dorado's downtown focal point. In the meantime, the existing five-story building has been modernized, with the first floor removed to make room for a covered plaza from the main banking floor of the new building to the square.

The Austin Co., Cleveland, working with its Southwest District in Houston, made the study that convinced the bank of the feasibility of maintaining its central city location. The firm also worked in and around ongoing banking operations as the new facility was being constructed, providing everything—from the master plan through design and construction to landscaping the exterior and designing and furnishing the interiors.



Commercial Nat'l, Chicago

WHEN Commercial National, Chicago, not only needed to be remodeled, but expanded as well, the Glen Ellyn (Ill.) architectural firm, Mayes, Williams & Partners, came up with a plan for the bank's old 9,000-square-foot quarters and a 15,000-square-foot addition. The new plan had an expanded teller arrangement, larger lobby area, more officer space on the first floor and an area for the many ethnic displays provided by the bank. The second floor has a new installment

loan department, conference and board rooms, expanded space for bookkeeping, accounting, proof and other banking operations. In the basement are a new community room, expanded coupon booths and employee facilities.

The building's exterior is contemporary in design. Bronze thermopane glass helps reduce heating and cooling loads, and a new single-duct system was used in connection with zoned areas to help reduce operating costs.

First of Petersburg

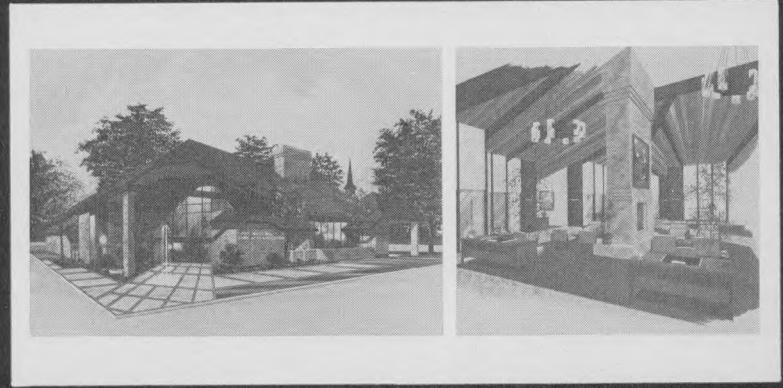
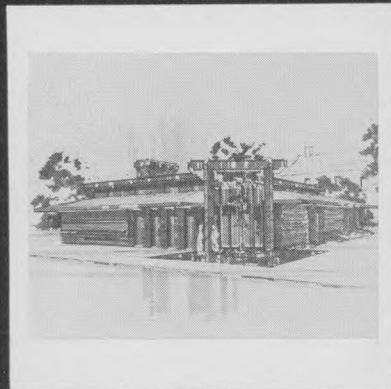
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dized aluminum trim. Large chains (Japanese drains) were used to direct flow of water from the roof at the en-

trance. Attention was paid to saving existing trees, adding complementary landscaping and emphasizing the quiet nature of the river in the background. A sign, in keeping with the basic architecture, proclaims the facility's name, First National Bank on the Sangamon. Inside, there are a high ceiling with exposed wood-laminated beams and a

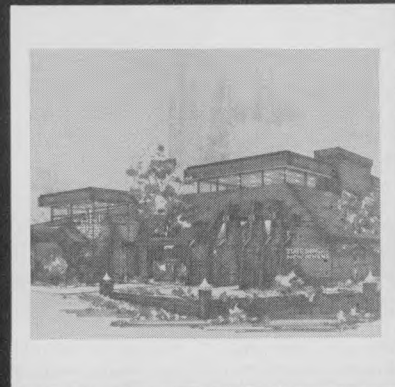
working fireplace.

The facility was designed by Ralph M. Broughton Jr., president, Design +, Inc., St. Louis, who also acted as project manager and coordinator.



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A Growing Trend: Equipment Leasing by Banks

BANKS of all sizes are leasing much more of their capital equipment these days, but it isn't because they hadn't heard about this popular method of financing before. Many of them have been arranging lease financing for their own customers for years.

Nevertheless, proliferation of costly electronic transaction systems and rapid expansion of branch banking have persuaded many banks to look at leasing from another angle. What they're discovering is that the leasing remedy works just as well for themselves as for their customers. And while it's not quite the classic case of the doctor taking his own medicine, the new-found application of leasing to bank equipment seems to be stimulating a good deal of interest among bank officers.

David Knapp, senior vice president of the \$198-million-deposit Citizens National of Evansville, Ind., is one such convert. His bank leased four automatic tellers through U. S. Leasing International, putting one in each corner of the city as part of its "around the clock, around the town" banking service. Leasing's flexibility is what convinced CNB that lease financing was the best method of acquisition.

"Leasing gives us the kind of flexibility we need to keep our automatic teller system in top shape," says Mr. Knapp. "Through the lease conversion feature of our leasing plan, we can easily upgrade or add on to our equipment to take advantage of technological advances. That capacity to deal with rapid obsolescence is a very attractive feature of leasing."

By **BERT LAING**
Sales Manager
United States Leasing
International, Inc.
San Francisco

Another officer at a \$1-billion-plus midwestern bank agrees. "Leasing was definitely the best way for us to go," he says, noting that his bank had leased its automatic teller machines, too. "After weighing the impact of inflation and the threat of obsolescence, we felt leasing would be the most economical method of finance."

A *tradition of ownership*. That today's banks are leasing a sizable portion of their equipment seems particularly significant in light of their legendary reluctance to lease anything at all. Imbued with a solid tradition of "strength through ownership," most banks have tended to reject leasing out of hand as something alien to a bank's image.

As a result, banks often have been in the curious position of recommending leasing to some of their best customers while paying hard cash for all their own needs. When the capital crunch of 1974 hit—just when many banks were spending heavily on electronic funds transfer systems—this double standard toward leasing began to seem strangely illogical.

The old tradition of ownership, in fact, has never been quite the same since the capital shortage surfaced in 1974. Banks that respond to leasing

suggestions with a "Banks don't lease" attitude are becoming increasingly rare. Now they're more likely to give any leasing proposal serious consideration, both for short-term and long-range financial plans. With the ownership block removed, they're becoming very interested in leasing on its own merits.

Leasing's advantages fundamentally are the same as they've always been. Its 100% financing conserves cash and maintains lines of credit for use elsewhere in a company's operations. It is an additional source of financing and thus a natural solution to capital constraints and tight budgets.

Most leased equipment qualifies for the 10% federal investment tax credit, creating real cash savings. Leasing plans typically call for a level stream of payments over the term of the lease (and no heavy front-end down payment), which makes leasing a natural hedge against inflation. Lease payments also are fully tax deductible.

Since much of the equipment coming into use today is obsolescence-prone, lease conversion and trade-up options are especially useful features of some leasing plans. Lease conversion programs offered through U. S. Leasing (the nation's largest independent leasing company) permit an equipment trade-up at any point during the lease, with a liberal credit for past rental payments included in the new lease schedule.

Says L. Wylie Price, executive vice president, Lyon County State (\$12.6 million deposits), Emporia, Kan., and a long-time U. S. Leasing customer,



LEFT AND CENTER: These newly announced Kodak products are examples of equipment banks can lease from U. S. Leasing Internat'l. Kodak Oracle microfilmer (l.) is designed for filming documents up to 11 x 14 inches. Up to eight documents per minute can be encoded and microfilmed. Kodak Oracle retrieval terminal (c.) is designed to provide high-speed, automated retrieval of micro-image and is in-

tended for microfilm applications where complex coding isn't required, but where rapid selective retrieval is necessary for business efficiency. Diebold Total Automatic Banking System (TABS), at r., also can be leased from U. S. Leasing Internat'l. This ATM can perform several customer services and is operative 24 hours a day, seven days a week.

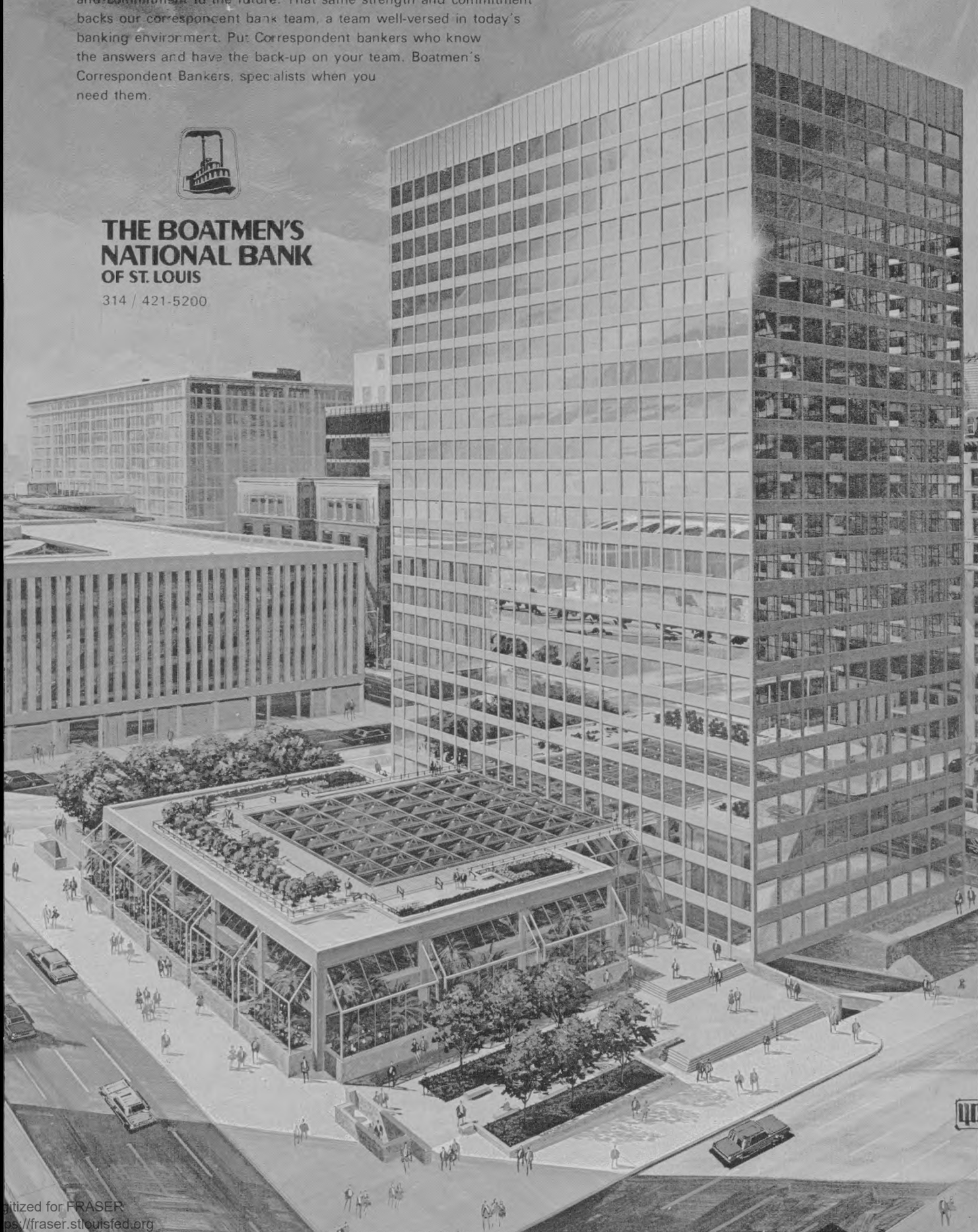
THE BOATMEN'S TOWER

Boatmen's is moving into bold new headquarters, reflecting their strength and commitment to the future. That same strength and commitment backs our correspondent bank team, a team well-versed in today's banking environment. Put Correspondent bankers who know the answers and have the back-up on your team. Boatmen's Correspondent Bankers, specialists when you need them.



THE BOATMEN'S NATIONAL BANK OF ST. LOUIS

314 / 421-5200



"You get a built-in updating system that beats the obsolescence threat. You know you'll never be stuck with an expensive piece of equipment that's no longer adequate. You can always trade up."

Leasing as financial strategy. Applicability of lease financing is not limited to state-of-the-art developments, however. As part of a bank's total financial or operating strategy, leasing is well adapted to such commonplace items as microfilm readers, encoders, minicomputers, vaults, cameras, security systems and the like. And with the widespread (but capital-draining) push into branch banking, lease financing is particularly useful in alleviating pressure on asset ratios and budgetary constraints.

A healthy respect for the economy's capriciousness simply reinforces the logic of leasing. The bank liquidity situation has improved considerably over a year or so ago, but the lessons of that event are well remembered. Cash has become a treasured commodity once again. Those banks that maintain adequate reserves of it are probably the ones that will weather the next capital crunch with the least difficulty. Since leasing naturally conserves cash, banks are giving it a prominent position in their capital-acquisition plans. • •

■ **FIRST CITY NATIONAL**, Houston, has announced the following reassignments in the international division: John B. Jones, vice president, has transferred from Houston to the London Branch, with credit and business de-

LeFebure Offers Leasing

LeFebure offers lease programs tailored to specific needs on its complete line of bank equipment and security systems. These lease programs are in addition to the usual direct-sales basis.

Included on a lease basis are LeFebure Model 724 automated customer terminal, Tel-Air remote drive-up, alarm and surveillance systems, security vault doors and vault products and all lines of cash-handling and teller equipment.

Leasing is through Circle Leasing Corp., a subsidiary of Merchants National Corp., Indianapolis. Leasing is done under prime-rate, fair-market plans, and all offer the option to buy equipment at the end of the lease.

velopment responsibilities; Martin Bowen, vice president and former far eastern representative in Tokyo, has moved to Houston as area manager of the far East and Australasia, succeeding Mr. Jones; Jerrel D. Branson, assistant vice president, has become far eastern representative; and John Davis, vice president, who formerly was in the regional and correspondent banking department, has gone to the international division with responsibility for corporate development and international banking services.

Scholarship Fund Begun For Employees' Children

First National, St. Louis has established a scholarship trust fund for children of its employees. The move was made in commemoration of the bicentennial.

Recipients of the first two scholarships are Gary Broome, whose mother works in the bank's mail room, and Arnold Robinson Jr., whose father is in First National's building services department.

Telecommunications Overhaul



To modernize its telecommunications system, American Nat'l, Chattanooga, has had South Central Bell change over all telephone numbers, lines and equipment at the bank's Main Office and all branches. The new "Centrex II" system brings touch-tone service to the bank, replacing the old rotary dial system. The entire project of changing over 600 phones and 550 lines is expected to be complete by Nov. 1.

Outside Lease-Management Program Available to Regional Banks

IF TODAY'S banks are more frequent lessees than ever before, they're also far more active lessors. Their business customers, it seems, are leasing more, too, and one of the first places they're inclined to go for lease financing is their bank.

Leasing, in fact, is becoming an essential part of any bank's full-service capabilities. Yet the overhead involved in setting up and staffing a permanent leasing program can be high. To compound that problem, the volume of leasing business available at any given time tends to fluctuate greatly, necessitating frequent manpower adjustments. For a small to medium-sized bank, these considerations impose serious stumbling blocks in setting up an effective leasing program.

Many regional banks solve this problem through an outside lease-management program called Banklease. De-

veloped by U. S. Leasing International in 1964, Banklease gives its member banks a complete leasing capability with none of the overhead or start-up costs of an in-house operation. The program allows each bank to adjust the amount of leasing activity it chooses to do at any time without penalty. And since all operational matters are handled by Banklease, most banks can participate effectively with one full-time leasing officer.

Cost of the program to each bank is simply its administrative costs. Banklease bases its fee on lease volume (independent of the bank's predetermined yield). The bank merely makes the credit decision, determines the yield and supplies the funds. Banklease does the rest, including all documentation, insurance follow-up, invoicing, filing of personal property taxes and sales and use taxes and managing residual dis-

position.

Programs such as Banklease have an additional attraction for banks: Leasing's historically high yields. External lease management allows banks to capitalize on this situation freely when funds are plentiful. When the money supply contracts, banks can return to more traditional lending activities without incurring overhead costs.

For these and other reasons, lease-management programs are becoming popular among all but the very largest of banks (which generally maintain their own leasing operations). U. S. Leasing's 12-year-old Banklease program, prototype for similar programs offered through some other independent lessors, now counts 42 banks among its membership. More than half the states of the union are represented, with total assets of all members near \$40 billion. • •

We provide the best check collection services in the midwest.

Here's how we do it.

We expedite items having a high dollar value. No special sorting requirements are necessary. □ We make direct presentment at 40 commercial banks and Federal Reserve Bank offices daily. □ We utilize flexible check sorting routines which can be changed within a 48 hour period. □ We have

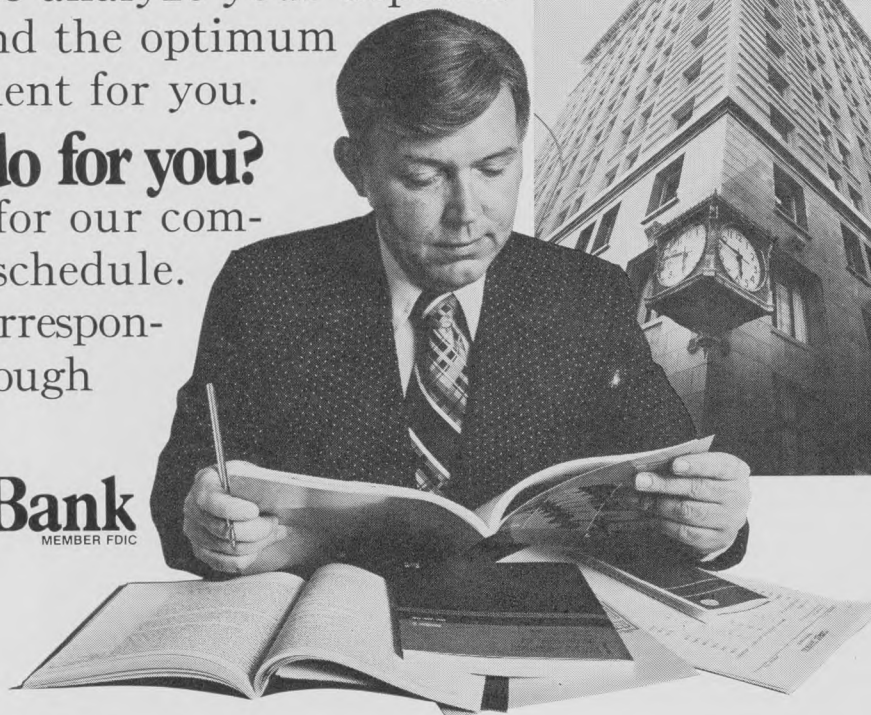
the ability to analyze your deposits and can recommend the optimum clearing arrangement for you.

What can we do for you?

Just call or write for our complete availability schedule. Your Commerce correspondent will come through for you.

 **Commerce Bank**
of Kansas City^{NA} MEMBER FDIC

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10th & Walnut
12th & Charlotte
(816) 234-2000



New Equipment Enables Banks to Serve Public Better

Suppliers Showcase Lines From Terminals to Vault Doors

Diebold Offers Vault Door



The Guardian Door is the newest member of the Diebold family of vault doors. The door features a 3½" solid thickness of steel plus proprietary high-security monolithic material protecting the locking mechanisms. Other features include two full-height locking bars, a daylight holdup device to prevent forced lock-ins, three-movement 120-hour chronometer time lock and three relocking systems built into the door. Two relocking devices are thermally activated so that the boltwork is automatically deadlocked by torch attack. The other device reacts to tampering or explosives by deadlocking the locking mechanism. There is no need for a footbridge and the door can be placed in a raw concrete opening and the architect or decorator can proceed with wall treatment around the door frame as their schedule dictates.

Drive-Up Unit Offered



Meilink Bank Equipment is marketing a new single-tube pneumatic remote system for drive-up service, called Sentinel III. The unit features solid state controls and uses a reversible blower to transmit the carrier either underground or overhead. The terminal is positioned to extend and present the carrier parallel to the driver lane, instead of perpendicular, eliminating terminal door restriction. Design prevents loose transaction materials from accidentally entering the tube.

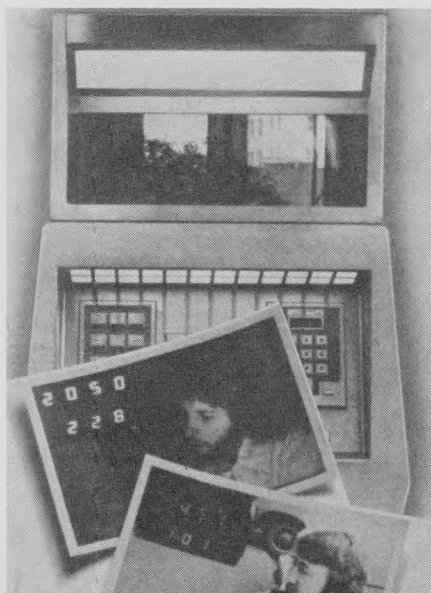
POS Terminal Introduced



AMCAT III is a new transaction terminal for use in check cashing, credit authorization and funds transfer programs. It is available from Addressograph-Multigraph Corp. According to the manufacturer, a typical customer transaction can be accomplished by a clerk passing a plastic card through the optional magnetic stripe reader and completing the transaction by keying in the amount of the particular service involved. The terminal can be directly linked to a central processing computer and is compatible with all AMCAT terminals.

Unit Verifies ATM User

It is estimated that half or more of the frauds associated with automated teller units are committed by the cardholder, a member of his family or an acquaintance of the cardholder. Cam-Dex Equip & Film Corp., is offering a camera unit that automatically takes two photos of the person making use of the ATM. The camera is activated when the cardholder inserts his card in the ATM. Frauds are said to be reduced 60% with the unit, which is manufactured by D/A General.

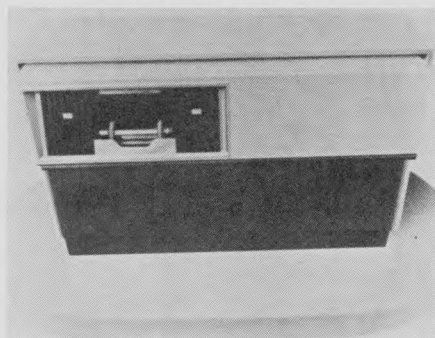


Message Center Offered



A public information display is available through Time-O-Matic, Inc. Displays can include both single- and double-stroke characters and messages can be shown in a traveling or flashing mode. Time and temperature can be displayed in either Celsius or Fahrenheit. Display characters are available in various heights and four display lengths are offered. A desktop keyboard programmer has automatic centering of typed messages and displays the message input being typed. The same keyboard monitor duplicates any outdoor display and keeps it continuously in view to the operator.

'Thinnest' Drive-up Unit



Auto-Matic is the name of this new drive-up system offered by Security Corp. The unit has a teller carrier recall to retrieve the carrier and an automatic door control to open, close or lock the customer console operable from the teller station. The unit is said to be the thinnest design on the market, which can enable a bank to add an additional lane in some instances.

Mailing addresses of the firms whose products appear in this issue are available from the editors. Please send stamped, self-addressed envelope with your request.



The Road to Main Street.

A look at
correspondent banking
by America's premier
correspondent bank.

**MANUFACTURERS
HANOVER**

"At Manufacturers Hanover, the National Division is a traveling unit... We stress not only the right road, but the right people to travel that road."

The right road.

When correspondent banking began, over a century ago, it grew with the railroads. New towns grew up along the "roads," and new banks set up shop in the towns. We built our family of correspondents by following the railroads—bringing "interior" banks the money center services they needed to serve their customers.

Today, with more than 3,200 banks around the country calling us *their* banker, MHT is America's premier correspondent bank. And for good reasons.

As our correspondents have grown, Manufacturers Hanover has anticipated their needs. We offer not only the basic bread-and-butter services, but innovative and specialized services as well. And we put our specialists at your disposal, to help you serve your customers completely and profitably.



Making funds move—faster.

MHT gives you an edge in your day-in, day-out needs. For cash letters, domestic and foreign collections, wire and other funds transfers—the competitive edge we give you is speed. Automation where it counts most, insuring accuracy and better transaction control.

We even serve correspondents by helicopter. Our Early Bird is a helicopter relay service that enables you to meet the 10 a.m. Clearing House deadline—speeding items from airport to our processing center, to turn checks into earning assets almost instantly.



The nitty-gritty of securities handling.

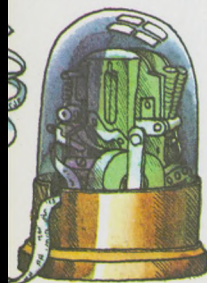
Manufacturers Hanover has always been important to its correspondents for safekeeping and handling of securities.

Vault safety was one of our earliest concerns. Back in the 1800s, some of our people came up with the unique idea of putting cannonballs in the walls around the vaults. Thus, if a thief tried to tunnel through to the money, he'd get zonked on the head with a cannonball!

Times have changed. Today we house all securities in underground vaults safeguarded by a highly sophisticated protection system and backed by a complete record-keeping system.

Looking toward a future book entry, certificate-less system, we offer correspondents an inexpensive piggy-back participation at the Depository Trust Company, probably the most advanced and comprehensive securities depository system in the world.

If you want to act as a paying agent for bearer securities, consider our famous "Coupay" service, the first completely automated system for coupon paying, reconciliation and destruction.



How now, Dow Jones?

Correspondents can tap MHT's trust specialists to serve their customers' investment needs. For instance, more than 20 analysts in our research department, plus our roster of economists, back up PIR/C—Professional Investment Research, Computer-Aided. In this program, we furnish subscribers with the same information supplied to our own portfolio managers. And we back it up with additional counsel whenever needed.

Manufacturers Hanover expertise is also available for assistance with a correspondent's own investments. We tailor your program to your bank's position.



Serving your Aunt Jane.

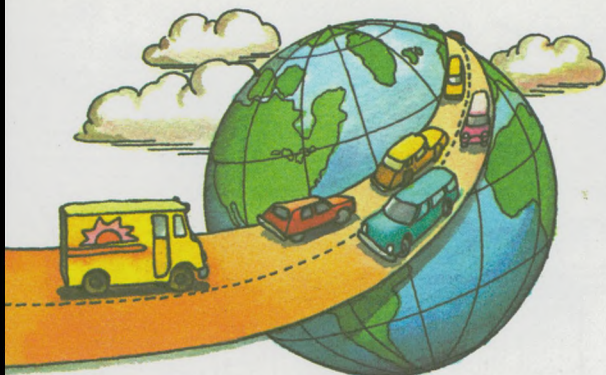
Through our specialized corporate trust services, you can provide your corporate customers with modern stockholder relations programs.

Transifac, our fully automated system of securities transfer operations, provides complete on-line shareholder and bondholder information.

MHT issues of commercial paper and certificates of deposit assure timely delivery to broker or purchaser. And we can act as paying agency, co-paying agency or trustee for corporate and

municipal debt issues, and offer complete escrow services.





The street that goes 'round the world.

MHT is a leader in worldwide banking. We offer you the flexibility of this country's largest network of international correspondents. You can also serve your customers with MHT counsel based on first-hand knowledge of economic and political conditions; and with foreign credit information, exchanges, collections and remittances. MHT international letters of introduction and commercial letters of credit are recognized and used universally.

Manufacturers Hanover pioneered the International Money Order in this country. It has worldwide negotiability and unique safety features, and the IMO is personalized with your bank logo for maximum identification.

The credit alternatives of the '70s.

Your ability to meet customers' credit needs is crucial in maintaining your position in your market. MHT's capabilities help you to be competitive by making available a full range of credit programs.

Through our affiliate, Manufacturers Hanover Leasing Corporation, you can meet the growing demand for this equipment financing method, anywhere in the world.

Our factoring and commercial financing affiliate, Manufacturers Hanover Commercial Corporation, helps you serve your customers' accounts receivable financing needs. MHCC may participate in such lending but you retain the direct loan relationship with your customers.

And you have MHT's expertise, including our advanced computer programming, to evaluate loans in a variety of industries.



Benefits for your employees.

Whether you have 15 employees or 1500, you can offer them a most attractive fringe benefit—at a modest cost to you—by joining our group life insurance program. It's a plan with up to \$250,000 in individual coverage that can be tailored to your bank needs.

Economies of scale also permit you to participate at low cost in our major medical and long-term income protection plans, as well as pension programs.

As the leading supplier of correspondent benefit plans, MHT can make it possible for your bank to attract high quality personnel by providing big-company benefits.



The right people.

We've come a long way since the days when one of our traveling bankers crossed the Andes on a burro to call on a South American correspondent. But it's still a prime rule among our people to know the "territory."

The MHT traveling banker gets to know your needs. Behind each officer are service specialists who go into the field whenever needed. We group our people in multi-tiered teams to give you the kind of professional service to help you meet competition.

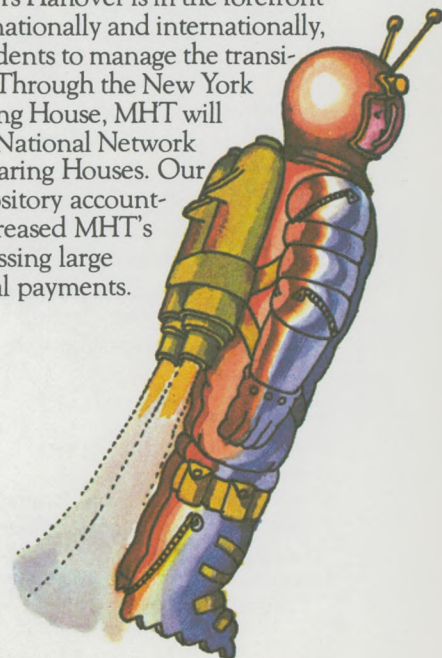
So if you want to get on the right road to correspondent banking services, give us a call. The number is (212) 350-6604.

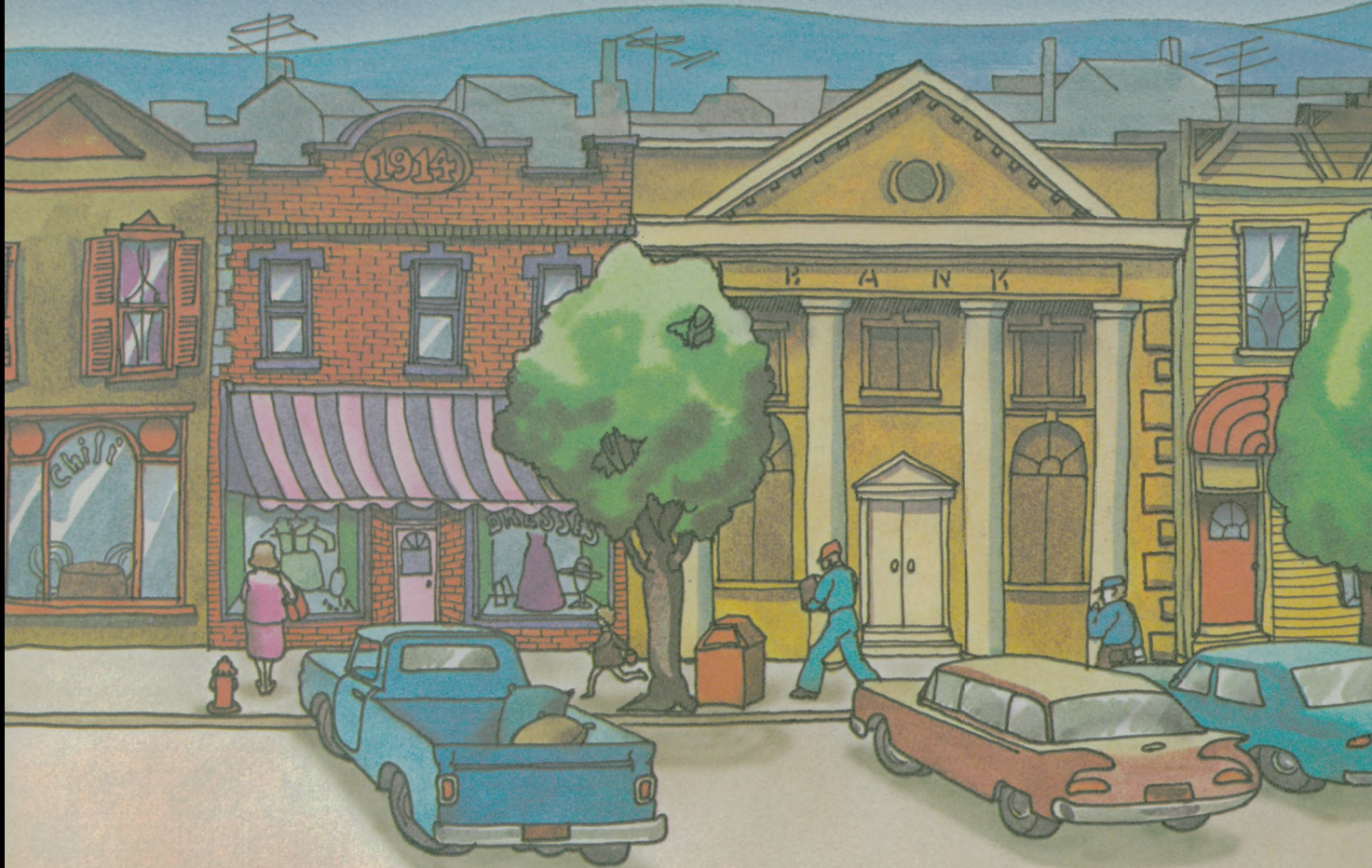
You'll find us easy to talk to.

The road to the future.

The banking marketplace is changing before our eyes, transformed by computer technology. Interbank funds transfer technology is in a revolution as well. As we look down the road, we see vital new services developing, while many traditional services disappear and transaction costs go down.

Manufacturers Hanover is in the forefront of EFTS changes, nationally and internationally, helping correspondents to manage the transition to the future. Through the New York Automated Clearing House, MHT will have access to the National Network of Automated Clearing Houses. Our international depository accounting system has increased MHT's efficiency in processing large dollar international payments.





MANUFACTURERS HANOVER Correspondent Services.

General Banking

Bank Money Orders
Cash Letters
Demand Deposit Facilities
Domestic Collections
Early Bird
Gift Checks
Money Transfer and Wire
MOREC—Money Order Reconcilement
Register Checks
Transend

Special Services

Economic and Business Publications
Marketing Consultant
Travel Service/Personal Service

Credit Services

Investigations
Overlines
Manufacturers Hanover Commercial Corporation (commercial finance, factoring)
Manufacturers Hanover Leasing Corporation

Corporate Trust

Certificate of Deposit Issuance
Co-Paying Agent
Co-Registrar
Reconciliation and Destruction of Debt Issues
Transfer Agent/Co-Transfer Agent (Transifac)
Meeting Room and Auditorium

Employee Benefits

Group Life Insurance Plan
Long Term Income Protection Plan
Major Medical Plan
Retirement Program

International

Acceptance Financing
Commercial Letters of Credit
Export Financing
Foreign Credit Information
Foreign Collections
Foreign Exchange
IMO—International Money Order
MIDAS—MH International Payments System

Overseas Branches, Representative Offices, Affiliates
Remittance of Funds Abroad
Tip Packs

Personal Trust

Personal Financial Planning Course
PIR/C—Professional Investment Research/Computer-Aided
Trust Development Course

Portfolio and Investment Banking

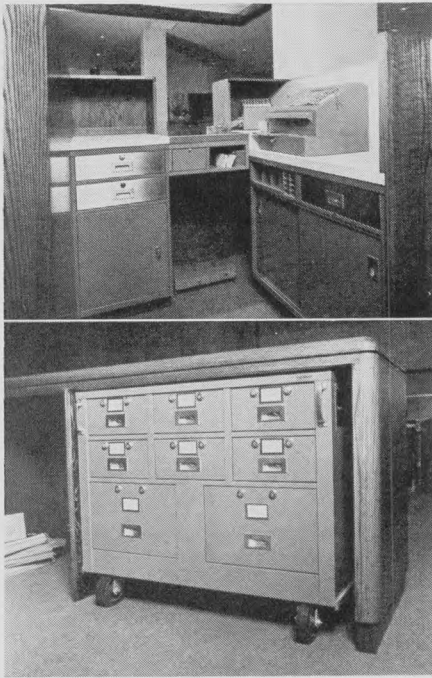
Federal Funds
MHC Commercial Paper—Other Commercial Paper
MHT C/Ds
US Governments, Federal Agencies, Municipal Bonds, Bankers Acceptances
Investment Counseling

Securities

Coupon Collection
Equity Safekeeping (Depository Trust Company)
Federal Book Entry
Safekeeping
Security Drafts

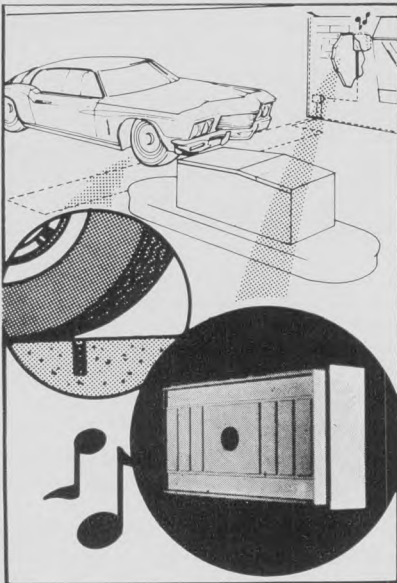
If you'd like to learn more about our Correspondent Services, call (212) 350-6604.

Equipment Convenience Stressed



Among the equipment installed at recently opened Plaza First Nat'l of West Port in St. Louis are these items from LeFebure Corp. TOP: Cash-handling and storage equipment at nine paying and receiving stations is arranged with a right-hand return that is lowered slightly to facilitate posting operations. BOTTOM: Heavy-duty note bus is engineered to fit under oak counter during working hours. Large wheels enable it to be rolled easily to vault for storage. All equipment has Apache red finish.

Sensor Alerts Tellers



Customer irritation at not receiving immediate attention from drive-in tellers can be eliminated with a new device that alerts the teller that a customer has driven up for service. As a vehicle approaches the drive-in area, it passes over a concealed sensing device that transmits a signal through an amplifier to the teller. The sensor detects metal and can be programmed to record the number of vehicles using a drive-in operation. It is manufactured by Actron Inc.

Drive-In Unit Upgraded Without Client Disruption

A drive-in facility can be upgraded with almost no interruption in service, according to officials at Mosler. Such an upgrading took place recently at First Bank, Savannah, Ga.

The bank wanted to double its drive-in lanes (from two to four), add a commercial lane, eliminate the use of TV monitors and increase the speed of service.

All this was accomplished with installation of a Mosler Trans-Vista side-send system, which eliminated the need for underground tubing and trenching since the pneumatic tubing is housed in a brick planter. A 15-foot window enables all customers to see the tellers and there has been no need to increase the number of tellers, since the new system enables one teller to handle two lanes.

According to a bank officer, the new system enables the bank to service its customers much quicker and with reduced transaction time. Substantial savings were possible by locating the tubing in the planter, since trenching costs were eliminated.



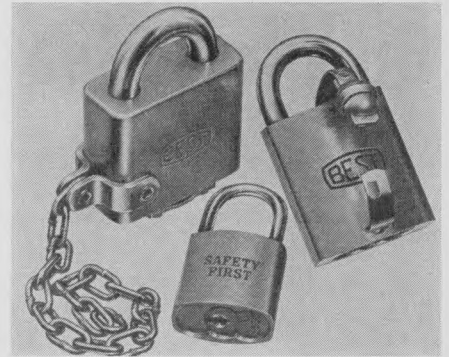
Upgraded drive-in facility at First Bank, Savannah, Ga., has pneumatic tubing running through brick planter and over lanes into bank. All customers can see tellers, eliminating need for TV monitors.

Signs Eliminate Clutter



The site surrounding a bank structure can be kept more beautiful by not cluttering it with signs, according to Lake Shore Markers, Inc. Individual letters and logos of aluminum can be mounted on exterior walls and can either be spotlighted or illuminated from behind. The illustrated building signage plan eliminated several yard posts.

Multi-Use Locks Offered



Best Lock Corp. has announced a line of multi-purpose padlocks that can be master-keyed into a padlock system. A single master key fits every lock in the system, yet each individual lock can have its own key which fits no other lock. If a key is lost, the combination to its lock can be changed in 10 seconds and a new key issued immediately without discarding the lock. The padlocking system is made possible by an interchangeable core.

Publicity With Chimes

Banks can be the voice of their communities by installing carillons on their premises, say the people at I. T. Verdin Co., manufacturer of bells and carillons. Chimes can be used to strike the time and to present musical selections that can be "broadcast" throughout the neighborhood automatically with carillons. A bank that is identified with pleasant sounds can capitalize on that fact in its promotion efforts and thereby gain a surprising amount of good will, the manufacturers say.

Kiosk Units Popular



Putting a branch in a shopping center? Maybe a kiosk-type facility would do the trick, say the people at Creative Industries, who are responsible for this kiosk facility maintained by American Fletcher National in an Indianapolis shopping center. Several models are available, including circular, oval and square. All are relocatable and some have walk-in capability for customers. Units enable banks to take their services out into the community.

Building Ideas: Adapt Them to Your Bank!

A Potpourri of Innovations You May Have Overlooked

Albuquerque Nat'l Has New Building; Resists Earthquakes, Saves Energy

THE NEW nine-level Main Office building of Albuquerque National not only is attractive, but it resists earthquakes and was designed to conserve energy.

Located at Third Street and Roma Avenue, N. W., the structure has 113,000 square feet of space. Its basic construction is reinforced concrete; exterior walls are of precast concrete panels.

The building's gold-colored solar-reflecting windows are part of the cooling and heating system. The windows provide a view of the city and the Sandia mountains to the east, while windows on the north and south are protected from the sun by projecting bays. The building has no windows on its western side.

During the warm season, the windows reflect the sun's heat, and the heat from lights and people within the structure is expelled. When the weather is cold, all heat generated from within the building is retained, cleansed and recirculated.

The handicapped were taken into consideration when Albuquerque National's new Main Office was designed. Ramps, wide hallways and open areas provide easy access.

To the building's north is a land-



Interior of new headquarters of Albuquerque Nat'l shows how building was designed with consideration for handicapped. Ramps, wide hallways, open spaces are easily accessible.

scaped parking area with space for 300 autos. It has two entrances. Facing the parking area are the walk-up teller windows.

A feature soon to be added to the bank's Roma Avenue and Fourth Street corner is Albuquerque National's clock. Reportedly a landmark in the city since 1941, the timepiece was being repaired at press time. The clock has separate movements for each of its four faces and will be controlled by a master clock located in the building. During daylight hours, its chimes sound every 15 minutes. • •

'Woodsman, Spare That Tree' Will Be Construction Theme Of New Mehlville (Mo.) Nat'l

MEHLVILLE, MO.—When construction begins on the headquarters building of the newly chartered Mehlville National, the call will be "Woodsman, spare that tree!"

Plans developed by Planned Projects, Inc., the project's developer, call for a great number of the site's trees to be retained. The building itself will blend in with its wooded surroundings; its front will utilize a great deal of

stained, rough-sawn cedar. Touches of brick will be used at the front to set off the cedar. Windows will be of bronze insulating glass.

The interior of the building will continue the "natural" theme with oak, walnut and pecan and a color scheme of rich earth- and autumn-tones.

The construction site of Mehlville National is nearly two acres in size and is 50 feet higher at its back than in front. Plans call for graduated parking levels leading up to the one-story building and four drive-up stations. Provisions also have been made for installation of an ATM adjacent to the building's front entrance.

Every area of the building has been planned to accommodate present and future furniture and record-housing, storage and accounting equipment. Completion has been scheduled for early 1977.

Mehlville National presently operates from temporary quarters.



New headquarters building of Mehlville (Mo.) Nat'l will reflect wooded nature of its site. Building's front will feature stained, rough-sawn cedar, while interior motif will be ash, oak, walnut, pecan and earth- and autumn-tone color scheme.

Clause in Branching Regs Clears Way for Facility

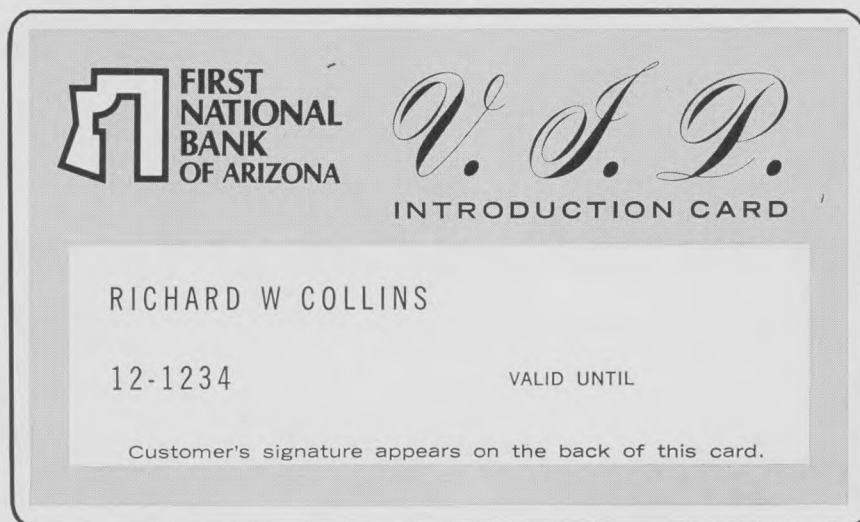
DALLAS—When the auxiliary banking facility of First National was in the planning stages, officials faced something few banks in Texas had experienced.

Texas is a unit-banking state, but regulations permit an additional office if it's under the same roof or within 500 feet of the main banking facility and connected by a tunnel. Since the retail banking market varies little within a 500-foot radius of a primary bank-



This is new Main Office of Albuquerque Nat'l. Designed to withstand earthquakes, conserve energy, building has 113,000 sq. ft. of space, nine levels.

Here's check-cashing convenience you can offer to your banking customers when they visit Arizona.



With your recommendation, we'll be happy to issue our exclusive V.I.P. check-cashing card to any of your customers who are going to be in Arizona for business or pleasure.

Upon presentation of the card at any of our over 140 offices statewide, your customer's personal check on your bank will be honored up to \$500.00. No other identification or verification will be required.

Just write and tell us when your customer will arrive in Arizona and how long he intends to stay. We'll be pleased to send our V.I.P. card to you for presentation to your customer.

Write to:

National Accounts Department
First National Bank of Arizona
P.O. Box 20551
Phoenix, Arizona 85036



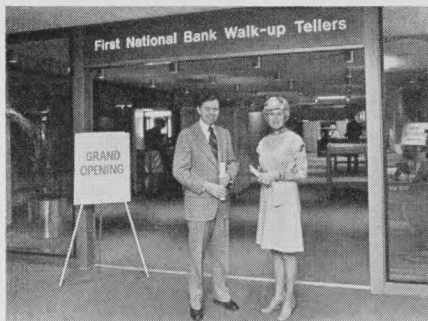
ing office, few banks in this state have taken advantage of the clause.

But it was the tunnel connection that made the location of First Minibank—a full-service facility—practical and desirable, said a bank spokesman. The facility is located in the lower level lobby of the First International Building, which is a link in the Downtown Dallas Underground Pedestrian Walkway System. It covers a six-block area in the city's heart and will be expanded.

The system consists of underground passageways that provide all-weather access to garages, a hotel, theater, health spa, retail shops, restaurants and several office buildings.

Influencing the construction of First Minibank was First National's master plan for a color-television banking system to serve a nine-lane motor bank and several walk-up tellers. The color-television system is said to be the first major installation in the U. S. and became operable in 1975.

"Customer response to the system surpassed even our most optimistic predictions," a bank spokesman said. "Increasing utilization of the street-level equipment prompted First National to open the First Minibank walk-up teller facilities five months prior to the time the remainder of the minibank services were begun."



On hand to greet customers during grand opening of First Minibank, the retail banking facility of First Nat'l, Dallas, are Robert S. Williams, s.v.p., and Patricia A. Thompson, banking off. and facility supervisor. A rarity in Texas due to state branching laws, First Minibank is located in a tunnel system serving several major office buildings in Dallas. Feature of facility is color-television walk-up tellers to provide all customer services.

Newspaper advertising during the first week of the facility's operation announced the "grand opening of the First National Bank *under* Dallas" and invited everyone to "come on down—literally" to First Minibank.

How popular is the facility? "We were opening savings and checking accounts and receiving loan applications before we had our telephones installed," said Patricia A. Thompson, banking officer and First Minibank supervisor. "We literally were operating

in the dark for the first few days while workmen were increasing the light levels in the office."

The facility has 2,600 square feet of space and is surrounded on three sides by glass, giving an impression of spaciousness and emphasizing the structural X-bracing of the First International Building. A color used prominently throughout the facility is orange, which is accentuated by chrome and natural oak furniture. Wall hangings and live plants emphasize First Minibank's informal atmosphere.

St. Louis' Mercantile Tower Has Provision for Handicapped In Building and Garage

ST. LOUIS—When Mercantile Bank was planning its new Mercantile Tower, the bank took handicapped persons into consideration. Result: Rest rooms feature wide doors and grab bars; sink counter lips are shortened, and mirrors are lowered. Outside the structure, curb ramps have been arranged for at each street corner.

The Mercantile garage, attached to the tower, has nine reserved extra-wide

SINCE 1971



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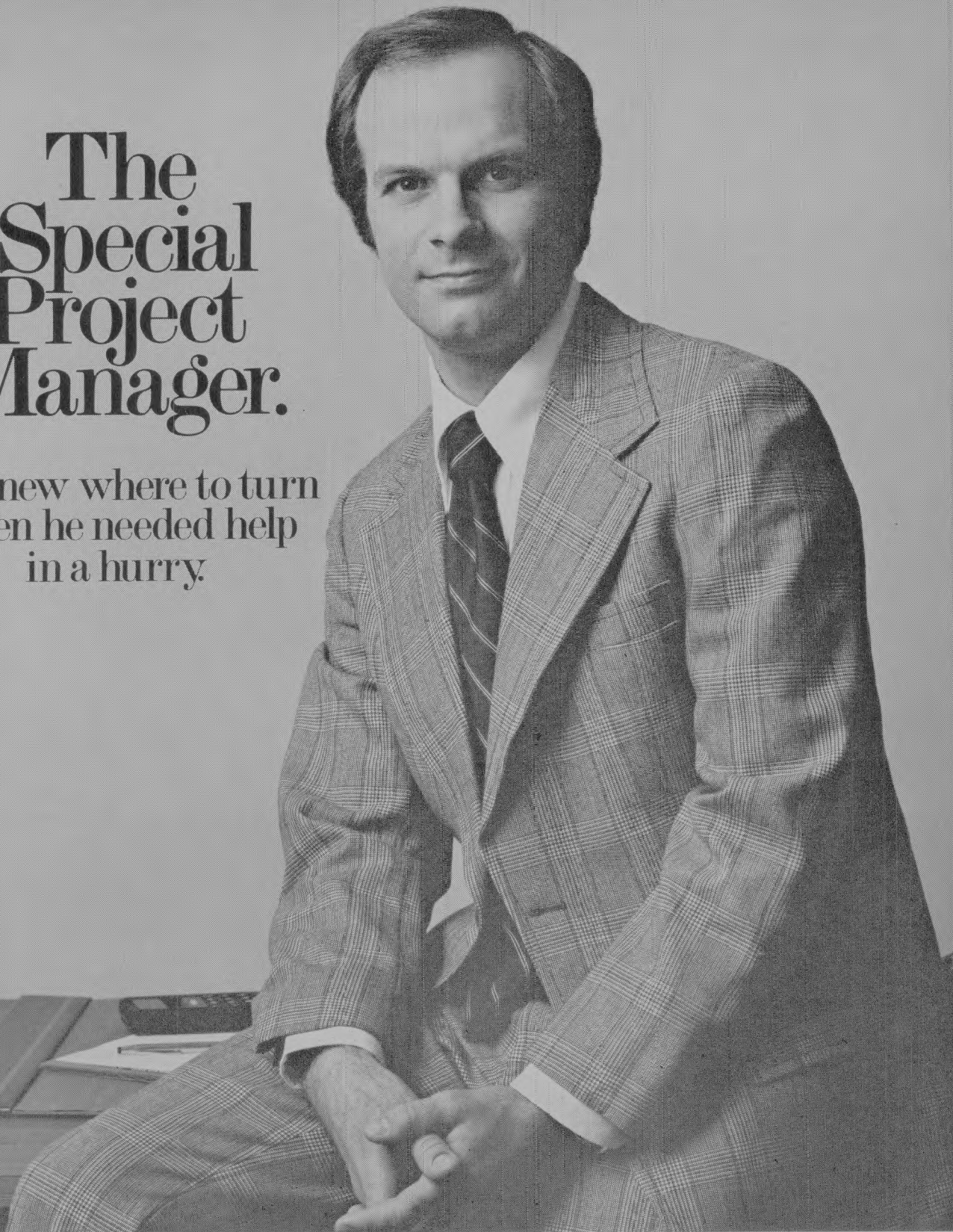
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TOP: Ramps from Mercantile Bank of St. Louis' parking garage to its tower and Eighth Street building provide easy access for handicapped.

BOTTOM: Richard E. Callahan, banking officer, internat'l banking dept., Mercantile Bank, is shown with his wheelchair van in Mercantile garage. Latter has nine reserved extra-wide parking spaces for such cars.

parking spaces for wheelchair cars. Ramps from the garage to the tower and to the adjoining Eighth Street building provide easy access for the handicapped. In other words, Mercantile has tried to permit persons in wheelchairs to travel throughout the bank building complex without being

confronted with an insurmountable obstacle.

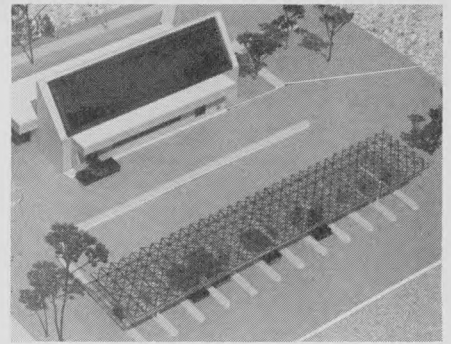
Mercantile has carried its concern further by offering free special decals to handicapped drivers in the St. Louis area. The blue and white decals can be displayed on bumpers or side windows of cars driven by or carrying handicapped persons. Designed to remind other drivers that wheelchair cars need parking space wide enough to permit loading and unloading a wheelchair, the decal reads: "Wheelchair Car . . . needs extra parking space."

Precedent Claimed for Drive-Up; Is Midwest's First Solar Facility

ROCKFORD, ILL.—First National has claimed a first for its planned motor-bank facility: Solar energy will be used to provide a portion of its heating requirements.

While a few residential solar systems have been installed in the Midwest, the new drive-up of First National is believed to be the only installation of its kind in a bank office or commercial structure in the central states. The system will be combined with an electrically operated air-to-air heat pump to provide maximum conservation of energy during the heating season.

According to Howard Bell, bank president, no savings in cost would be realized with use of the solar heating



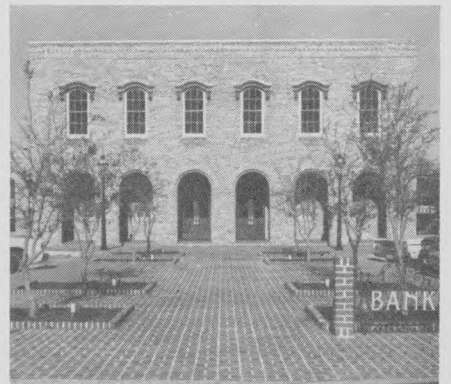
New drive-up of First Nat'l, Rockford, Ill., is set for Jan. 1, 1977, opening. Bank officials claim a precedent with facility: Will be first commercial building in Midwest using solar energy.

system due to additional costs of the equipment, but he estimates that 40% of the annual heat load would be carried by the system. "And that's sufficient justification for installation at a time when energy economics is receiving worldwide attention," he said.

"An additional reason for using solar heat," Mr. Bell continued, "is that the bank probably will be called upon to finance similar installations for customers who are likely to receive governmental incentives to employ solar heat. By having first-hand experience with solar energy, First National should be in a better position to help its depositors when they seek help."

The facility will have 12 lanes for personal transactions, while two others will be used for commercial customers. A lobby teller window will serve walk-up traffic and a 24-hour night depository also will be installed. A January 1, 1977, opening date has been set for the motor bank.

New Building Is 'Old-Timey'

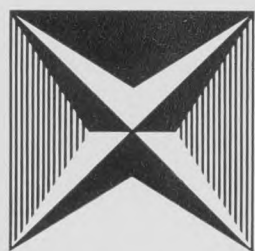


Fitting in with the historic atmosphere of its area, the new building of First Nat'l, Jefferson, Tex., has an exterior of antique brick. The theme continues within. It has a colonnaded lobby with parqueted floor and a vaulted ceiling in ceil blue. The old-time tellers cages are flanked by a reception area that features a 75-year-old Pakistani rug. Bank officials occupy cloistered offices having mahogany furniture, gold antique satin draperies and thick carpets typical of the 1890s. First Nat'l has a vault door that was built in 1885 and installed in First Nat'l, Paris, Tex., in 1886.

A large advertisement for Expression, Inc. It features a line drawing of a bank plaza with a sign that says "BANK PLAZA" and an "EXIT" sign. A car is parked in front of the building. The text reads: "you select the banking equipment... we deliver the building." Below this, it says "Pre-fabricated auto and branch bank facilities" and "expression, inc." with the address "345 w.prairie, decatur, illinois 62522" and phone number "ph. 217/429-2583".

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Bank Transforms Former Dime Store Into Attractive, Roomy Quarters



This building formerly housed dime store, but was converted into new quarters of First Nat'l, Rantoul, Ill. Structure is across street from bank's old location. Plate-glass storefront gave way to red brick. Large cedar posts support canopy along front and part of side of building.

WHEN First National of Rantoul, Ill., realized it had outgrown the magnificent old building it had occupied for more than 70 years, officers had to make a decision. Renovate again? (Several remodeling projects had been undertaken to keep the bank modern and able to serve the banking

needs of the growing community.) Erect new quarters?

The bank found the answer just across the street—in an empty 15-year-old building that formerly housed a dime store. Acquiring and renovating this structure gave the bank sorely needed space, utilized existing community resources, moved the bank into the new quarters less than five months after construction began and cost less than half what it would have cost to erect a new building. The remodeling program in the former dime store was completed for between \$300,000 and \$400,000. In addition, the bank now has 16,000 square feet in its main section and 6,000 square feet of basement and storage space. The former quarters contained only 5,500 square feet over-

all. There even was enough extra room in the new quarters for the bank to donate a large area to the community for civic and other uses. The room, dedicated to the city on July 4, was the bank's bicentennial gift to Rantoul. It's being used for band concerts, record "hops" for youngsters, wedding receptions, etc.

One of the main problems First National faced when it announced its planned move was getting residents to accept the new location. They were attached to the familiar old structure, but after the new banking home was unveiled last June 1, the public gladly approved it.

During the reconstruction program, brick replaced the wide expanse of plate glass; walls were built, offices decorated and what had been a dime store was turned into a showplace bank building. The bank's drive-up facilities and automated teller machine are located at the old building across the street. First National plans either to move the ATM to the new site or close it down and install a new one near the parking lot at the new location.

Calling the move tremendously successful, President Robert Mills says, "We've been able to construct a new facility, capable of supporting our programs and expected growth over the foreseeable future, from an otherwise useless piece of real estate. And we've done so smoothly, quickly and without losing the 'community-bank' image we've enjoyed for so many years." • •

Gold Rush Days Recalled By Return of Wells Fargo To 1850s Agency-Office

SACRAMENTO, CALIF.—After more than 120 years, Wells Fargo has returned to the B. F. Hastings building.

Wells Fargo Bank, which is headquartered in San Francisco, has opened a facility—the Old Sacramento Agency—in the same building in which it operated from 1854 to 1857. The Hastings Building is the focal point of the Old Sacramento State Historic Park, a six-block area that has been restored by the state of California to its original Gold-Rush-days appearance.

The agency has been faithfully restored to its 1850s appearance and operates as a bank during the week and as a museum on weekends and holidays. The bank staff will conduct business dressed in authentic period garb. Items of the 1850s, such as a gold scale, banjo clock and letter press decorate the office.

Modern services will be offered by

MID-CONTINENT BANKER for October, 1976

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This view of interior of new quarters of First Nat'l, Rantoul, Ill., shows how drastically former dime store building was changed to accommodate bank. Offices have modern motif, with hanging plants and latest wallpaper designs.

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For a copy of our Availability Schedule, to arrange for an analysis of your check-clearing system, or for more information about "Rabbit Transit," phone us now. Or contact your Correspondent Banker at 510 Locust, St. Louis, Missouri 63101.

First National Bank in St. Louis



the Old Sacramento Agency and featured will be checking accounts with exclusive checks fashioned after those used at the location in 1855.

The office recalls the past of Wells Fargo Co., the ancestor of Wells Fargo Bank. A century ago, a typical Wells Fargo banking and express office received deposits for safekeeping and exchanges; made remittances and transferred funds by check or draft; delivered letters and parcels to miners; picked up miners' letters, purchase orders and gold; bought, sold, stored, transported and shipped gold in all forms; and forwarded gold, coins, bank bills, parcels and cargo throughout the world.



Decor of the California gold-rush era highlights Old Sacramento Agency of Wells Fargo Bank. Gold scale, banjo clock and staff's period dress are features of facility that operates as business during week, as museum on weekends, holidays.

The fact that Wells Fargo operates a business in the restored building brings to mind the words of a journalist of the 1850s: "Wells Fargo is the ready companion of civilization, the universal friend and agent of the miner, his errand man and his banker. A billiard saloon, a restaurant and a Wells Fargo office are the first three elements of a Pacific or coast mining town."

Airport-Style Drive-Up



This is the drive-up of Atlantic First Nat'l, Daytona Beach, Fla. Four tellers remotely monitor 11 traffic lanes from the control tower straddling the installation that gives a panoramic view of the operation. Two lanes are served by paying-receiving type windows installed in the ovoid columns supporting the control tower. Approximately 900-1,500 customers can be served by the Diebold Visual Auto Teller I system, bank officials said. Rather than having the conventional red and green "stop" and "go" signals, the facility uses a large sign with "open" and at each entrance, an "express" sign flashes, indicating the lane with the fastest service.

Bank Uses Bldg. Courtyard for PR Purposes



Fourth Nat'l, Wichita, is making excellent use of the spacious, glass-walled courtyard of the building it erected in 1974 by dispensing free popcorn there. A colorful old-fashioned popcorn wagon attracts passersby, who wait patiently in line for their free bags. Umbrella-topped patio tables and chairs are placed around the lobby to be used by bank visitors. The bank's popcorn machine is operated a few hours each day, and about 350 servings can be made per hour. Fourth Nat'l also uses the wagon for off-premises special events and elsewhere in the bank for receptions.

Bank, Reduced to Rubble by Tornado, Constructs Precedent-Setting Building

EARLY IN 1974, Xenia, O., was hit by one of history's most destructive tornados. A major casualty of that storm was the West Xenia Branch of Citizens First National—only a portion of the foundation and the vault remained.

But 13 months later, grand opening ceremonies were held for the new building of the West Xenia Branch, and that structure has features that are said to be precedent-setters:

- The new, larger office has an inline installation of six Diebold Visual Auto Teller IV remote banking systems, reportedly the longest such installation in the state. One part-time and two full-time tellers monitor the installation.



TOP: West Xenia (O.) Branch of Citizens First Nat'l, Xenia, before tornado of April, 1974, struck. CENTER: After tornado, only portion of foundation, vault remained in usable condition. BOTTOM: 13 months after storm, new building was opened. Is larger than original, boasts features that set precedents for area.



West Xenia Branch's new facility includes this six lane, inline drive-up using Diebold equipment. Drive-up reportedly is longest in state.

- A Diebold TABS Total Automatic Banking System also was installed, said to be the first in Greene County. Called the "Freedom Machine," the ATM, according to bank officials, gives customers the freedom to bank at their convenience, day or night. A "Freedom Card" activates the system and the card is advertised as "the key to the bank." • •

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Everything is itemized and all-inclusive. You know in advance what you're getting for your money.

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And you always get a firm delivery schedule, based on your requirements. We're experts at mass issues and daily plastics production. So, whether you plan a mass issue of a new card, a reissue of an old card or daily issuance of cards on an on-going basis, ACS has the people and the high-speed equipment to get the job done—in 72 hours, or as little as 48 hours in some instances, after receiving the information from you.

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Whether you need a complete plastic card program designed specifically for you, or simply a secondary card source, American Fletcher's Consumer Service Bureau provides personalized attention and the kind of security you'd expect from a bank. So give us a call, collect: (317) 633-1501. Ask for John Bradshaw or Fred Schorkopf.

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Proper Site Selection Is Key to Success When Bank Undertakes Building Program



What appear at first glance to be flying saucers turn out to be drive-up facility of First Nat'l, Danville, Ill. Located across street from bank building, nine-lane facility is located on relatively small site at busy intersection. Drive-up units are placed so that visual eye contact with all of them is maintained from single building (foreground). This was project of Illinois Bank Building Corp., Chicago.

By **JOHN K. VAN SCHELTEMA**
President
Illinois Bank Building Corp.
Chicago

BANK EXPANSION PROGRAMS normally revolve around expanding existing facilities or selecting new sites for additional facilities. The initial stage in selecting a site for a financial institution should begin with an operational survey of the existing bank. This survey should be conducted by a firm capable of analyzing operations and re-

lating them to future growth. Results of this survey should assist in determining what courses of action are open to the bank in its expansion program.

Once this has been explored, a marketing survey for site locations often is useful. This survey would relate to the probabilities of shifts in population, commercial development and other contributing factors.

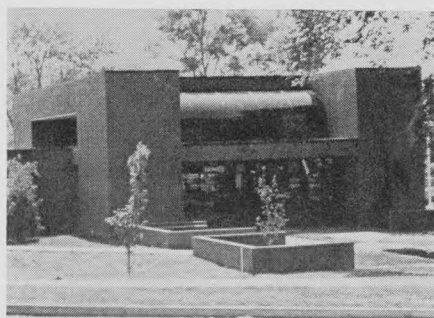
An equally important consideration in the process of choosing a site must be the capability of that site to receive the type of structure initial surveys deemed desirable. Once the general lo-

cation has been isolated and before property is purchased, the bank's consultants should prepare drawings of various sites and relate internal space requirements and organization to these sites so that a logical selection can be made based on physical characteristics.

One of the most difficult and important aspects in the design of bank buildings is site use. Too often, this part of architectural planning is not researched to the degree necessary to achieve proper site utilization. If the site once chosen is ill used, no matter how much time and effort are spent on functional planning for internal operations, the entire project will suffer. Vertical and horizontal circulation patterns, as well as the internal function and organization of the building, must be related to the entire site. The site and the building cannot be considered separately as they are both part of the whole.

An excellent example of combining structure and site is to be found in the drive-up system designed for First National, Danville, Illinois. This unique

Special Building Features



The recently completed facility of Peoples Bank, Branson, Mo., called Peoples Banking Center, has two unusual features. **TOP:** Because Branson is located in a popular tourist area in the Ozarks, one of the new facility's drive-up lanes was especially designed for campers, pickup trucks and recreational vehicles. The kiosk is a foot higher than normal to accommodate drivers seated in the higher vehicles. The young women pictured are high school students who demonstrated the drive-up's pneumatic-tube system during grand-opening ceremonies. Their dresses feature the symbol of First Union, St. Louis-based HC to which Peoples Bank belongs.

BOTTOM: Peoples Banking Center's building has a curved Plexiglas portion at the roof line to allow sunlight on indoor greenery.

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February 3-6, 1977

For information write Dr. Richard B. Johnson, President, The Foundation of The Southwestern Graduate School of Banking, SMU Box 214, Dallas, Texas 75275; or call A/C 214/691-5398.

design has combined building and site into a single, useful tool for banking. A relatively small site (150x150 feet) at a busy intersection was developed into a nine-lane drive-up system capable of accommodating 26 cars in the system at one time. The drive-up units are placed in such a manner that visual eye contact with all the units is maintained from a single building, with the average distance from the teller being 35 feet. The building also includes a small banking lobby as well as employee facilities. This facility is across the street from the main bank building and is connected by a pneumatic-tube system for transfer of items.

Selection of a site not only must fill current requirements of the bank, but also project future expansion capabilities. Often a site adequate for current operations lacks the capacity to serve even a minor expansion.

The importance of proper site selection and site use cannot be overemphasized for this is the key to the success of any building program. A well-organized beginning results in a successful ending. • •

Bank of Oklahoma Makes Move To New 52-Story Building; Will Open to Public in November

TULSA—Employees of Bank of Oklahoma have begun their move to the bank's new 52-story building, said to be the tallest in the state. The Bank of Oklahoma Tower reportedly will open to the public in November.

The new structure is located one



New Bank of Oklahoma Tower in Tulsa will open to public in November. Said to be tallest building in state, 52-story structure has more than 34 acres of space. Bank will occupy 10 floors of Tower; 25 other businesses will be headquartered there.

MID-CONTINENT BANKER for October, 1976



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block from the bank's present facility and is in the Williams Center. According to a bank spokesman, the skyscraper will consolidate under one roof various operations that previously were housed in different buildings.

The institution will occupy 10 floors in the Bank of Oklahoma Tower, which also will serve as headquarters for about 25 other firms.

The Tower, which is 667 feet tall, contains more than 1.5 million square

feet of office space—the equivalent of 34 acres of space. The first three levels of the building, which have 400,000 square feet of space, will be for banking, retail and support services.

The "open space" concept will change the physical appearance of the bank's operations, the spokesman added. The interiors are accented with colorful partitions and plants in order to enhance the banking environment for staff and customers, he said.

'Future' Built Into Branch Bank Plans In Anticipation of Liberalized Statutes

By **WILLIAM C. GOOCH JR.**
President
York State Bank
Elmhurst, Ill.

WHENEVER someone asks what York State's most successful investment has been, I have to answer "our drive-up facility." It has proved to have so many obvious benefits that our investment in the project has been more than outweighed by the results.

In fact, after just 22 months of operation, the facility handles 33% of our customer transactions. And, because of the additional space "built-in" by Bank Consultants of America, the facility can be expanded quickly and inexpensively.

The facility was built for the future. But, when we first realized that a facility was absolutely necessary to serve present customers adequately, all we thought about was constructing a few drive-ups at as low a cost as possible.

The first thing we considered, be-

cause the facility is on the site of an old gas station, was simply remodeling the station. Then we investigated various low-budget facility construction ideas.

Finally, we settled on the attractive "mini bank" design, because we believed it would return more, in the long run, for our investment.

In addition to the three drive-up stations (and provisions for a fourth), the facility contains a lobby area with four teller windows and plenty of floor space. And, each teller area can service both a drive-up and lobby window if necessary.

Bank Consultants included a full basement vault in the facility design. This is unusual; but we wanted York State to be ready to take advantage of future changes in Illinois banking laws. For that same reason, the structure itself is sturdy enough to allow the addition of a second floor.

In addition to its expansion potential, we believe the facility makes a



Colorful exterior plantings around York State's drive-up facility have encouraged area merchants to spruce up their premises, giving neighborhood a new look.

New Pedestrian Signal



Alma Kimlin, asst. sec.-treas. and senior citizens coordinator, Tower Grove Bank, St. Louis, and Joseph C. Swarthout admire the newly installed pedestrian signal outside the bank. Mr. Swarthout had requested the signal for the busy intersection and with the help of Mrs. Kimlin and bankers Thomas H. Brouster, v.p., and Richard E. Fister, pres., city approval was obtained for the crosswalk sign.

RMA Chapter Elects Officers

The Ohio Valley Chapter of Robert Morris Associates has elected the following officers for 1976-77: Kenneth A. Kehlbeck, vice president, American Fletcher National, Indianapolis—president; Clyde W. Howlett, vice president, Old National, Evansville—vice president; and Barry L. Zerkle, assistant vice president, Fifth Third Bank, Cincinnati—secretary-treasurer.

significant aesthetic contribution to the area. The plans allowed for a very attractive, comfortable interior; but the outside landscaping is what makes the facility so unique.

We've planted a wide variety of shrubs and flowers in numerous garden areas around the building. And the side facing the street is highlighted by a fountain. The result is not only attractive year-round, but has inspired merchants all along the block to place sidewalk planters outside their businesses and to remodel or repaint their store's exteriors.

The block has taken on a new look. And we're proud to have been a moving force.

Were there any problems in construction of the facility? Yes, there were some, as there always are with a major construction project. But we found that working with a professional firm facilitated solving them.

Was the investment worth it? Definitely! Our customers are pleased. We are able to provide better, more convenient service. And we have been able to attribute a significant amount of new business to the convenience and attractiveness of the facility. • •

En Garde ...y'all.

We're giving our competition a warning . . . here come Lynn, Gus and Jim. Three of the most experienced and successful correspondent bankers anywhere are now heading the Correspondent Bank Department at the same bank . . . Memphis Bank & Trust.

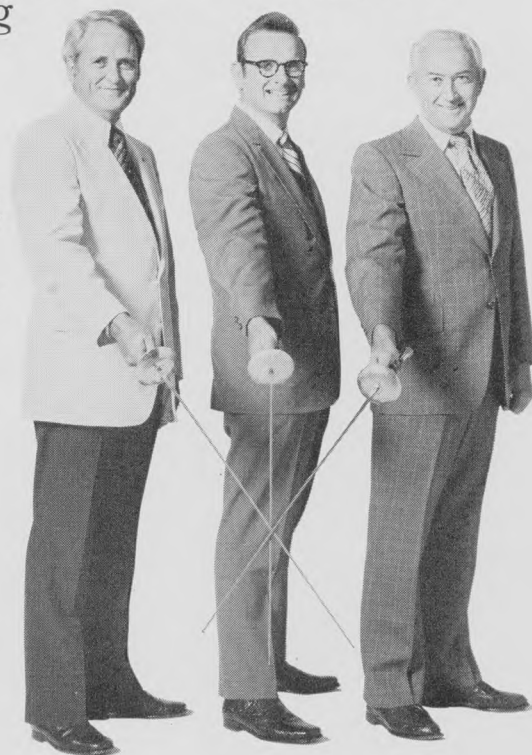
They do it all, right down the list, with a full staff behind them: Transit Operations, Credit Assistance, Investments, Bond Portfolio Analysis, Safekeeping, Trust Services, Data Processing, Business Referrals . . . and a few surprises like expert insurance capability, guidance in the construction and design of bank facilities, furniture, decor . . . even supplies. Now that's correspondent banking with a flourish.

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Memphis Bank & Trust Correspondent Department





First Alabama, Birmingham, Sets Ribbon-Cutting Event For Last Week in October

ON THE COVER:

First Alabama Bank Building soars skyward at corner of 20th Street and Fifth Avenue North, Birmingham. Eighteen-story tower rises 253 feet, is clad with bronze panels.

First Alabama's two-level lobby creates dramatic study in Travertine marble and bronzetone glass.



THE SNIPPING of a colorful green ribbon measuring 300 feet in length and nine feet in width with a pair of scissors with 14-foot blades will mark the formal opening of the newest landmark in Birmingham, Ala.—the First Alabama Bank Building.

The ceremony will take place the last week of this month. Birmingham's main street will be cordoned off directly in front of the bank to make room for spectators who will watch Norman D. Pless, chairman, cut the ribbon, which will drape the dramatic new building's 18 stories from top to bottom.

The opening will mark the culmination of two years' work on the 190,000-square-foot building that rises 253 feet from the sidewalk to take its place in Birmingham's skyline. Building plans were announced in late 1973.

Featuring a sunken garden and what is said to be the second installation of remote color TV drive-in facilities in the nation, the bronze-clad structure is a dream come true to officers and directors of the 48-year-old bank.

The bank occupies 61,000 square feet on six floors. The remaining 130,000 square feet of rental space is being leased by Canal-Randolph Birmingham, Inc., real estate developer headquartered in New York and co-owner with the bank of the building.

The ultra-modern exterior of the structure is complemented by interior decoration using earth tone fabrics and bronze and silver metals. Seventy tons of imported white Italian Travertine marble were used to grace the solid walls throughout the building and cre-

ate dramatic teller lines in the bank's two-level lobby that features a 36-foot ceiling in one area. Sixty-seven tons of red marble were quarried in neighboring Tennessee to provide flooring and accents in both banking and public lobbies. Warm wall coverings of suede and natural grass combine with sequenced matched teak, mahogany and walnut paneling on banking floors. Furniture, paneling, fabrics and even desk accessories match the overall mood of decoration. The exterior sunken garden theme is continued throughout the building by extensive use of living plants.

A large Travertine gas-fueled fireplace surrounded by overstuffed chairs highlights the 18th floor executive reception area. Also on this floor is a Chinese-accented executive dining room seating 48 that overlooks the city below. An adjoining private dining room seats 12 for business meetings. Also on the 18th floor are an auditorium seating 150 and a board room, each of which is equipped with full rear-screen audio/visual projection and sound capabilities. Chairman Pless and President W. L. Hurley have their offices on this floor.

All retail banking functions—such as teller line, new accounts and installment loan functions—are located on the ground floor. Commercial loan officers and commercial loan tellers are on the second floor and a special teller services business firms with large cash transactions in the vault area.

The 40-by-60-foot vault is protected from fire with a gaseous extinguishing system and an energy-conserving tem-

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perature control system for heating and air conditioning is run by a computer.

More than 300 feet of underground pneumatic tubes provide service to drive-up customers, who maintain visual contact with tellers via full color TV units. A similar TV walk-up unit is available in the building's public lobby for after-hours transactions.

The Diebold color TV system is said to be the second installation in the nation featuring color TVs. The first installation was made at First National, Dallas. Drive-up tellers are situated some 300 feet from the two drive-up lanes.

Adjacent to the building is a 750-car security controlled parking facility operated by the Birmingham Parking Authority.

First Alabama's building was designed by John Carl Warnecke & Associates, New York, and Russell McCaleb & Associates, Phoenix. General contractor was the Henry C. Beck Co., Birmingham, and interior design and decoration came from architects Cobb, Adams & Benton, Birmingham, and Welton Beckett, Houston. • •

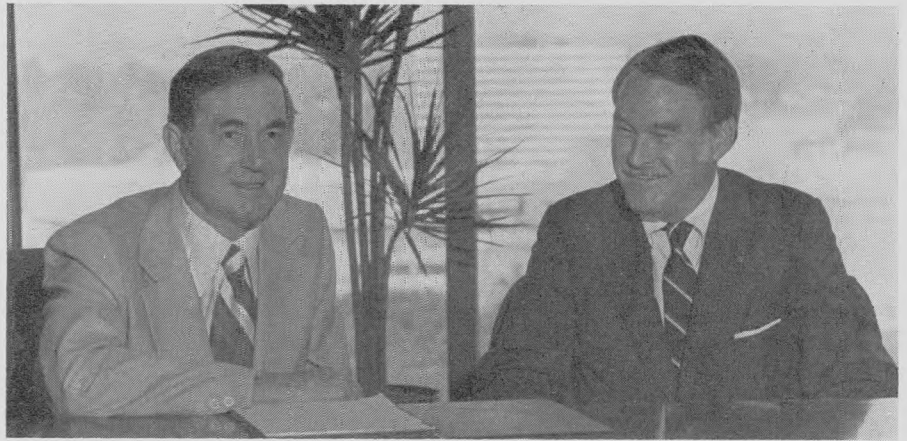
Leasing Success Story

First Alabama's new building has 130,000 square feet of tenant space that is proving to be popular with business firms. More than 70% of the tenant space was leased by September 1 to such firms as Arthur Andersen & Co.; Touche Ross & Co.; Bache, Halsey & Stewart, Inc.; Walter E. Heller, Inc.; Robinson-Humphrey, Inc.; and Provident Life Insurance Co.



Rental space in First Alabama Bank Building is custom designed. This is law firm's reception area.

The building is just a few blocks from city hall, the county courthouse, the newly completed civic center and many other office buildings. The new building offered a good location and totally customized space design, all utilities, carpeting, drapes and cleaning service. Interior design is column-free for flexibility and the structure is said to be the only new high-rise in Birmingham to be protected by a sprinkler system and computer-controlled energy management system for low-cost heating and air conditioning.



Norman D. Pless (l.), ch., First Alabama Bank, and W. L. Hurley, bank pres., in 18th floor board room that overlooks Birmingham's new civic center.



Bank departments feature living plants, glass and warm tones.

First Alabama Bank's remote Diebold color TV drive-in facility is located about 300 feet from the banking tower.



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

unique. And we're flexible enough to find the best solution for you. Because we've got people who won't leave well enough alone. Call us toll free. In Tennessee, 1-800-342-8240. In other states, 1-800-251-8514.

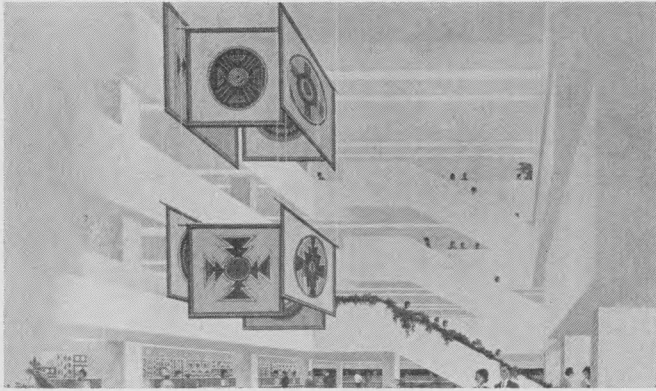


First American Center, Nashville 37237

FirstAmteknBankgroup
Member FDIC

MID-CONTINENT BANKER for October, 1976

Bank Interior Designed to Reflect Country's Heritage



LEFT: Four massive banners dominate lobby of Banco Central del Ecuador in Guayaquil. They feature patterns, colors and textures taken from ancient Ecuadorian civilizations. Bank Interiors, Inc., Chicago, was responsible for design and development of all interior space in



bank building. RIGHT: Stark, modern look of exterior of Banco Central del Ecuador is balanced by warm, colorful banners that hang inside building.

DEVELOPING a design strategy with a sincere philosophical undertone was the challenge facing Bank Interiors Inc., a Chicago-based firm, when it was asked to undertake a project for Banco Central del Ecuador. The South American bank, located in Guayaquil, is the bank of the government of Ecuador and is responsible, among other things, for issuance and destruction of currency as well as being a repository for a portion of the Ecuadorian gold supply.

Bank Interiors' duties were varied on this project. The firm was responsible for the design and development of all interior space in the 18-story bank building, including work flow and functional design, layout of security systems and assisting in selection of materials. Bank Interiors also designed and color coordinated all interior fur-

nishings, including carpet and drapery materials and certain furniture.

Coordinating design strategy for this project revolved around archeological investigations that have documented Ecuador's role in the rise of formative cultures of the New World. Designs on banners and carpeting repeated throughout the building are authentic reproductions of designs found on artifacts uncovered by these expeditions within the past 20 years. From an interior designer's standpoint, the warmth, variety and geometric perfection of this early Ecuadorian art offered a wealth of material on which to draw.

The first visual impressions received by visitors to the bank are created by four massive banners displayed in the lobby. These banners counterpoint the starkly modern architectural patterns of the building by providing a softening

influence of patterns, colors and textures taken from the ancient Ecuadorian civilization. According to Bank Interiors, the combined effect "humanized" a building that otherwise might have reflected a cool, impersonal, institutional image.

The Chicago design firm believes it's appropriate that Banco Central del Ecuador—as the institution that will play a major role in its country's future economic development—also should graphically reflect the impressive traditions of Ecuador's ancient culture.

Bank Interiors, working out of its headquarters (Suite 2412, 155 Harbor Drive, Chicago, IL 60601), has clients throughout the continental U. S. and abroad and acts as a consultant to financial institutions in interior design, development and use of space. • •

Butz to Be Principal Speaker At ABA's 25th Ag Conference

NEW ORLEANS—U. S. Secretary of Agriculture Earl L. Butz has been scheduled as the principal speaker at the November 17 general session of the American Bankers Association's 25th National Agricultural Bankers Conference, to be held here.

Dates for the event will be November 14-17 and more than 1,000 bank CEOs and agricultural specialists from across the country are expected to attend.



BUTZ

The conference theme, "Agriculture and Banking—Serving America," will be developed by a variety of workshops, technical sessions and outlook presentations on specific aspects of agriculture and ag finance.

ABA To Kick-Off Fall Season By Cosponsoring Football on TV

WASHINGTON, D. C.—The American Bankers Association will kick off the Fall television season by cosponsoring a number of football telecasts on all three major networks.

The ABA "season" is set to open November 27, when it will cosponsor the Army-Navy game. Following that will be 17 NFL games, including three double-headers. The NFL playoffs will be aired December 18 and 19. Bowl

games in which ABA ads are slated to appear during the season will be the Liberty Bowl December 20, the Gator Bowl December 27, the Sugar Bowl January 1 and the NFL Pro Bowl January 16.

According to an ABA spokesman, the commercial spots will highlight consumer banking services.

• Several Mid-Continent-area bankers have been appointed to the Regional Advisory Committee on Banking Policies and Practices by John R. Burt, regional administrator of national banks, 10th region: Gray Breidenthal, president, Security National, Kansas City, Kan.; Joan B. Meader, chairman and president, First National, Waverly, Kan.; James Nicol, chairman, First National, Independence, Mo.; and Eugene F. Everett, president, Boatmen's Union-National, Springfield, Mo.

“Being a First correspondent bank helped us succeed in landing important new business like Floyd Fairleigh’s feed yard.”



Gene Foncannon, First National Bank of Kansas City
Duane Ramsey, Security State Bank of Scott City
Floyd Fairleigh, Fairleigh Feed Yards

The Security State Bank of Scott City, Kansas is a true success story. A correspondent bank relationship has helped it grow and maintain important new accounts.

It began in 1967 when Duane Ramsey of Security State solicited the agri-business of Mr. Floyd Fairleigh of Scott City. To handle his sizeable credit needs, Security State sought the participation of the First National Bank of Kansas City.

First National responded by offering a major line of credit and the agri-business expertise of people like Gene Foncannon.

Correspondent help like this has played a part in the growth of Security State Bank. And as Floyd Fairleigh’s small feed yard operation has grown to six agri-business corporations, Security State has grown with many new accounts.

If your bank needs a productive correspondent relationship to solicit and obtain new business, extend credit, add expertise and a depth of personnel in your area of interest, call the professional staff of the First National Bank Correspondent Department.

We take pride in the success of Security State Bank.

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



Let our billion dollar organization help your bank profit. Call

Frank Plummer (205/832-8580), chairman of the board 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

AVAILABLE FOR IMMEDIATE DELIVERY

REBUILT NCR & BURROUGHS

- Bank Tellers Machines
- Bookkeeping Machine—Mechanical & Electronic Magnetic Ledger

IBM SYSTEM/3 DISKS & SYSTEM 32 DISKETTES
COMPUTER CONTINUOUS LISTER PAPER—STOCK AND SPECIAL DESIGN FORMS



JACK ROBERTS & ASSOCIATES
DATA SYSTEMS AND CONSULTING

Illinois Banks: Check with us for new facility equipment (safe deposit boxes, proof machines, etc.).

P. O. BOX 365

EDWARDSVILLE, ILLINOIS 62025
in Metropolitan St. Louis

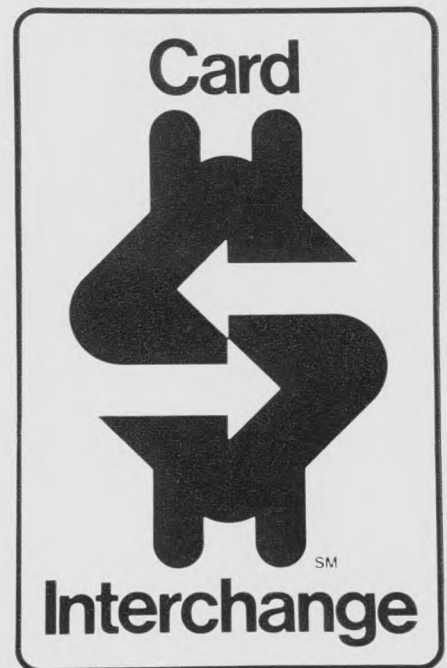
PHONE: (618) 656-0105

ATMs Shared Statewide in Ky. With Card Interchange Service

LOUISVILLE—First National has announced Card Interchange, a service allowing bank cardholders to use ATMs outside their local trade areas.

ATMs can be programmed for interchanging between banks' transactions now possible on most teller machines. Services included in the program, with certain refinements, are acceptance of deposits, cash dispensing, transfer of funds between accounts, acceptance of payments on loan or credit card accounts and cash advances.

Banks joining the Card Interchange program are charged a membership fee and per-item charges on terminal transactions. Coordinating the service is First National's William T. Lockett, vice president-regional services.



Under Card Interchange, First National acts as the "transmittal" bank—a clearing house between participating banks issuing cards and providing ATMs.

"Each participant institution," Mr. Lockett explained, "continues its present responsibility for maintenance of its terminals. Each ATM will display the Card Interchange symbol and will have posted nearby a list of banks whose cards operate the terminal, along with a list of functions of which the machine is capable.

"The usual memorandum receipt of the transaction is dispensed to the customer, with a copy going to that person's bank," he added.

A multi-billion dollar U.S. industry takes root in Texas.

First City National Bank is helping cover the field.

Agribusiness adds over \$7.3 billion to the Texas economy each year — including livestock, crops and many related businesses.

Half of the state's agricultural cash receipts come from livestock and the remainder from various crops, yet no single geographic area dominates the industry.

A more complete look at Texas' total agribusiness shows its national leadership:

Cotton production in the northwest and central sections earns Texas a ranking of first in the country. As does beef cattle raising in the west. Sheep and wool in the southwest. And rice on the Gulf plains. Citrus fruit production in the Rio Grande Valley is only slightly behind California and Florida.

First City National Bank adds its financial seed to Texas agribusiness in many directions. What we've learned is yours.

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 helped make us . . .

A major financial strength behind Texas industry.



Illinois Bankers View 'New' Territory At Bunce-Sponsored Facility Seminar

By DANIEL H. CLARK
Assistant Editor

NEARLY 100 Illinois bankers were on hand to view "new" territory during a facility planning seminar sponsored by Bunce Corp., St. Louis, at the Holiday Inn-East in Springfield, Ill., September 8.

The seminar was held in anticipation of a new facility law that went into effect October 1—House Bill 1955, allowing banks in that state to operate a second remote banking facility within 3,500 yards of the home office. Previously, Illinois banks were allowed one facility within 1,500 feet of the home office.

On hand as speakers for the seminar were a number of experts on the topic: guest speakers and representatives of

Bunce Corp. Joseph Ciaccio, Illinois' first deputy commissioner of banks and trust companies, defined the law, what it permits, what it requires, filing procedures that must be taken by banks and steps the office of the commissioner of banks takes in upholding the provisions of the regulation.

Financial implications of facility planning were discussed by Gary L. Strickfadden, partner, Peat, Marwick, Mitchell & Co., St. Louis. He outlined economic and accounting considerations, financing procedures and how to predict the profitability of a facility.

Joseph Garafolo, financial institution division director with Real Estate Research Corp., Chicago, addressed the audience on market analysis and site selection: why market analysis is needed, determining optimum locations, se-

Most Survey Respondents Plan Facility Under Ill. Law

MID-CONTINENT BANKER surveyed 125 Illinois banks on their intentions of building facilities after enactment of the new branching law—allowing a second bank facility within 3,500 yards of the main office—and of 24 respondents, the majority indicated plans to build.

With one respondent expressing uncertainty as to facility plans for the coming year, 13 banks said they would open a new branch within the next 12 months. Of those, seven will be in the bank's own community. Others planned branches for outlying areas, nearby towns or a shopping center and one was uncertain where the facility would be located.

Eight banks, the vast majority of those planning new facilities, won't install an ATM at the branch; three were uncertain and three indicated they would have the machines.

In answer to a query whether the facility would be free-standing or in a building housing other businesses, nine opted for the former, while two were not certain. Two banks will locate in a building that houses other businesses. Only one of the respondents will not offer both drive-up and walk-up services; 10 said they would.

When asked if they already had a first facility—in compliance with Illinois' earlier branching law, within 1,500 feet of the main office—17 respondents' answers were negative.



Coffee break provided time for discussion of facilities during Bunce seminar (all photo identifications are from l.): Top l.—Warren P. Chappee, pres., Alton Banking & Trust; Violet L. Hosey, a.v.p., Godfrey State; and Lynn Hall, v.p., Alton Banking & Trust. Top r.—Wally Geoghegan, contract mgr., Bunce Corp., St. Louis, and John F. Reed, e.v.p. & CEO, Wayne County Bank, Fairfield. Bottom l.—Steve Dew, adv. mgr., First Nat'l, Sterling, and Forrest Erickson, dir., First State, Princeton. Bottom r.—Penny Klein, mktg. dir., Jefferson Trust, Peoria; Ron Vaughn, mktg. dept. ch., Bradley University, Peoria; and Jim Katek, mktg. specialist, Jefferson Trust, Peoria.



This panel of speakers was on hand for Bunce seminar on facility planning, held in Springfield, Ill. (from l.): Joseph Ciaccio, 1st deputy commissioner of banks and trust companies, Springfield; Ralph J. Koesterer, e.v.p., Bunce Corp., St. Louis; Gary L. Strickfadden, partner, Peat, Marwick, Mitchell & Co., St. Louis; Peter H. Bunce, pres., Bunce Corp.; Donald G. Reynolds, consultant, Lifson, Wilson, Ferguson & Winick, Inc., Dallas; and Joseph Garafolo, dir., financial institution div., Real Estate Research Corp., Chicago.

lection of the site and determining deposit potential.

Final guest speaker was Donald G. Reynolds, consultant with Lifson, Wilson, Ferguson & Winick, Inc., Dallas. His topic was the impact of EFTS, and he delineated the background of EFTS development, its significance on facility construction and tools to be used for projecting its impact on any area.

Rounding out the afternoon were Bunce representatives Peter Bunce, the firm's president, and Ralph J. Koesterer, executive vice president. Mr. Bunce discussed space planning—reasons for building a facility, use of a site, expansion requirements, efficient use of personnel and security. And Mr. Koesterer explained costs involved in a facility, including site preparation, building expenses, security equipment and motor banking. • •



Beryl W. Sprinkel, Executive Vice President and Economist, Harris Bank.

WHEN BERYL SPRINKEL FORECASTS ECONOMIC SHOWERS, BANKERS CARRY UMBRELLAS.

Few economic forecasters are as widely respected as Dr. Beryl Sprinkel. His credentials are impressive, his influence significant in national economic and governmental circles.

Hundreds of banks here and abroad know the value of Dr. Sprinkel's input through seminars held in their areas or at the Harris Bank. Others profit from Sprinkel's "Barometer of Business" newsletter and "Sound of Business" cassette tapes, distributed each month.

His straightforward and easy-to-read publications—and those of his associates, Dr. Herbert Neil and Dr. Robert Genetski—are available for the asking. The "Sound of Business" cassettes are available for a modest annual fee of \$100.

The point is, even if you can't get together personally, we can still bring Beryl and his associates to you. Just get in touch with your Harris Banker or write on your letterhead to Beryl Sprinkel.



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Harris Trust and Savings Bank, 111 West Monroe Street, Chicago, Illinois 60690. Member F.D.I.C., Federal Reserve System

A 100% Boost in Traffic Realized At Remodeled Drive-Up Facility; Little Increase in Personnel

By DEAN R. MORE
Bank Equipment Consultants
Denton, Tex.

CENTRAL BANK, Farmers Branch, Tex.,* recently built a drive-up facility the way you would "if you had a chance to do it over again." The bank built its first one six years ago and, with the equipment supplier's help, outfitted it with top-of-the-line equipment, comprised of six lanes of captive-carrier TV units with plans for later expansion to 12 lanes as growth warranted.

Some unexpected problems developed. A crushing load of annual service cost in conjunction with unreliability demanded that the bank take a fresh look at drive-up equipment and at its customers' real needs.

Central Bank retained Bank Equipment Consultants to work with its own people and its architect, John R. Thompson & Associates, Inc., Dallas, to help plan and design a functional, cost-effective drive-up, a facility that would serve the bank's customers quickly and efficiently and be aesthetically pleasing to the community.

The new facility opened March 2, 1976. It consists of 12 remote (non TV) retail lanes "head-on" and two commercial lanes (one conventional drawer and one remote unit), a total of 14 lanes. The remote units are "loose-carrier."

In addition to space for a maximum of 10 tellers, the tellers building houses a postal lobby, an employee lounge and a workroom for proof machines. The facility is connected to the main office by a six-inch-diameter pneumatic tube for transferring work and currency, plus coaxial cable for a closed-circuit signature-verification system.

A "second chance" changed the bank's attitude toward what's really

important in a drive-up facility and what to consider in drive-up equipment. The bank evaluated the following basic points during the selection process:

First of all, *why* is the bank building a drive-up? Obviously, because some customers prefer the convenience of banking from their automobiles.

What do those customers expect from drive-up equipment? Experience had shown that customers have only two demands—first and foremost, *reliability*. Everyone is a little reluctant to see his transaction vanish down a hole. If the equipment ever fails him, or if it fails the customer in the lane next to him, or if a lane is closed (it must be broken) or is being worked on, the customer's confidence slips a little. The depositor wants *total* reliability. The customer's only other desire is a reasonable waiting time before being served, and that is a matter of providing enough lanes.

When the bank emphasized reliability, it was attracted toward the less-complex systems, without "features" such as mechanical presentation trays, captive-carrier design, TV, etc.

The bank's management asked itself what "features" beyond basic equipment can it buy (and pay a premium to own) that will in fact cause depositors to transfer their accounts from neighboring banks to do business with Central Bank? Answer—*none*. Nobody will transfer his account to do business through a particular model of drive-up equipment. Next thought: What "features" might the bank buy that could make its depositors *unhappy*? Any feature that reduces the machine's reliability by adding unnecessary complexity. That includes virtually any feature beyond a basic system.

Three cost advantages of basic equipment were immediately apparent: It sells for less, a difference of up to \$8,100 *per lane*. Because of its simpler design, it is inherently less subject to breakdown and, therefore, the annual service contract is less, a savings of up to \$7,000 *per lane* over 10 years. Additionally, replacement cost of the customer kiosk, in event of a collision,



Above are front and rear views of drive-up facility of Central Bank, Farmers Branch, Tex. Accompanying article tells how bank "redid" its motor bank so that it serves more customers than old facility did, but with little increase in personnel.

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

can be less than half that of a complex system.

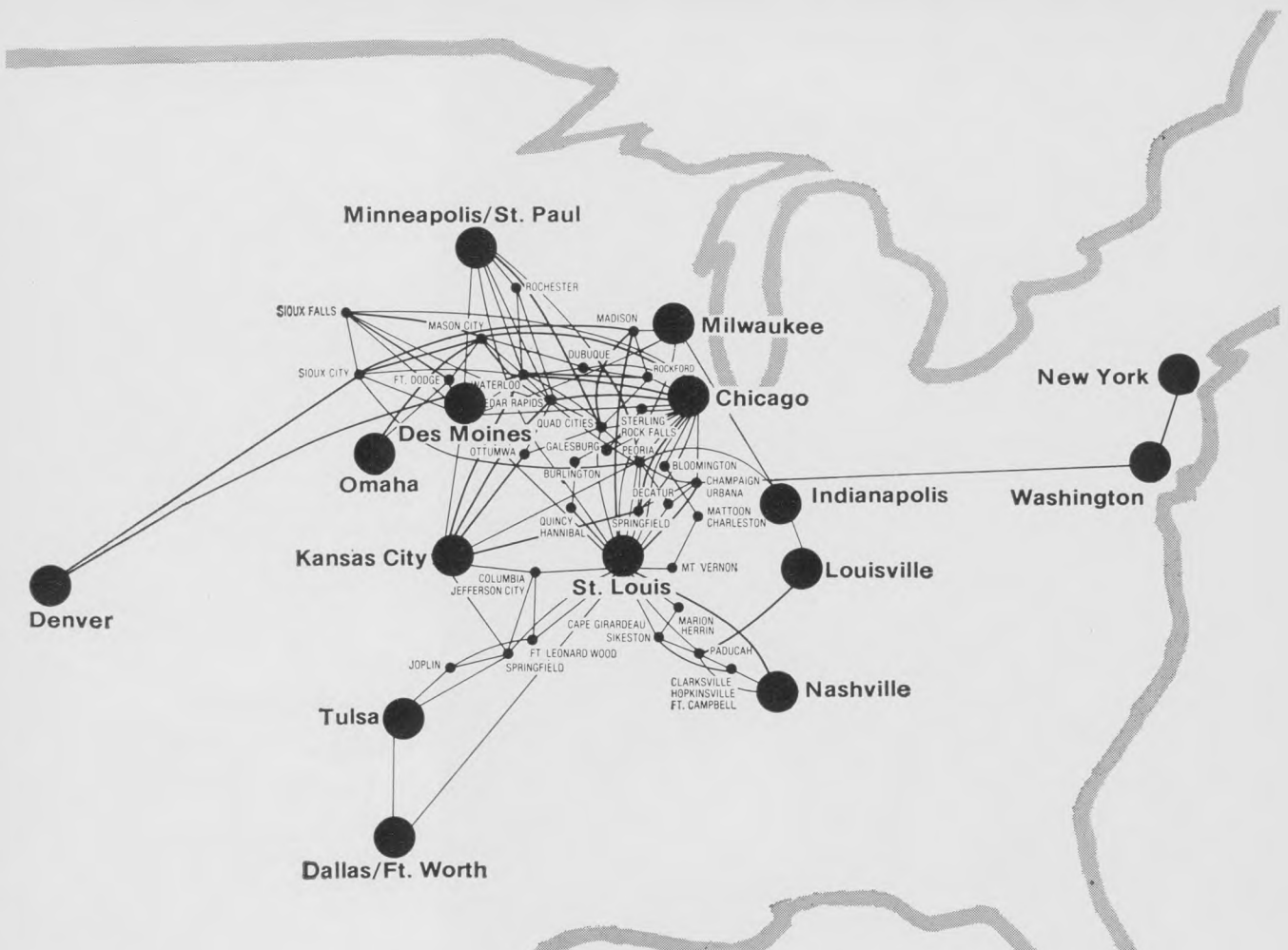
The bank's officers agreed that customers should be able to use the system with an absolute minimum of confusion. That meant not having to push a button to receive the carrier or to dispatch it. Truly automatic. Also that the customer should be able to replace the carrier into the terminal any way he chose—vertically, horizontally or anywhere in between.

Annual service-contract cost was considered by spreading it over a 10-year period, roughly the life of the equipment. Central Bank took the 1976 service-contract cost, increased it 10% per year (a conservative increase), extended it for 10 years and totaled it. It ran as high as \$10,165 *per lane* for one model.

Incidentally, annual service-contract costs reflect a supplier's confidence in his product. His service-contract amount is based on actual field experience, then perhaps shaved a little to avoid competitive disadvantage.

What the bank chose to purchase this second time around was dramati-

* Central Bank is located in the Dallas area. The bank celebrated its 15th anniversary in September. It has total assets of \$47 million and total deposits of \$43 million and services 16,000 checking accounts.



Every 2.3 minutes*
 an Ozark nonstop
 takes off somewhere
 between New York and Denver.
 Check our schedules
 against yours.

*Based on 459 weekday departures
 between 0545 and 2346.

OZARK AIR LINES



Get yourself up! go Ozark.

Sometimes enough New York's enough.

It really is The Big Apple.

There really are a hundred places to find Szechwan oysters, kinesiology classes, maritime lawyers or a Spode gravy boat like the kids broke.

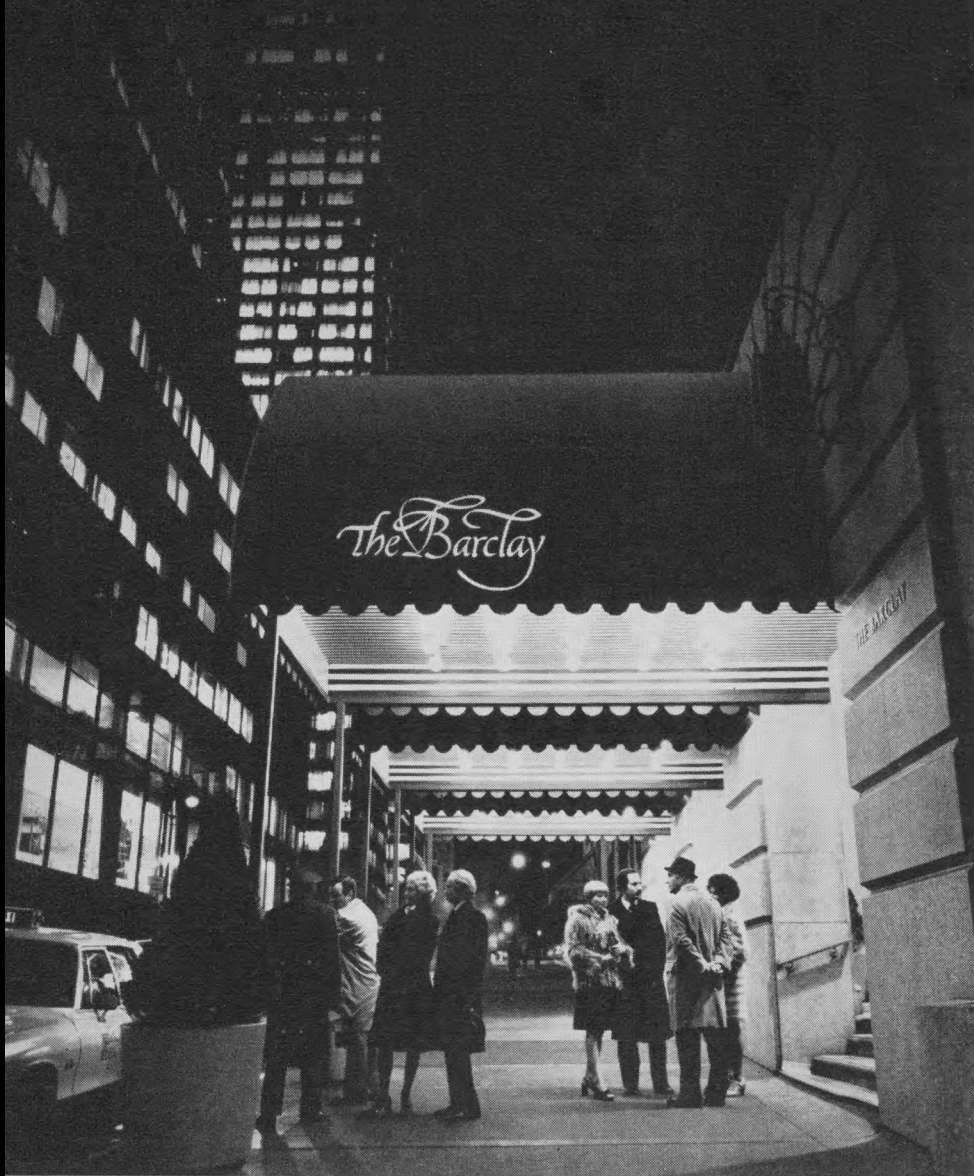
But sometimes New York can get to be too much of a good thing.

Unless you know somewhere to hide. Welcome to The Barclay.

The Barclay is a small east side hotel. (The lobby is about fifty steps across. The Big Conference Room holds twenty people.)

The Barclay is elegant without being stuffy, expensive without being ridiculous.

Next time you need to get in out of New York, remember The Barclay.



The Barclay

When enough New York's enough.

48th just off Park. (800) 221-2690. In New York State, call (800) 522-6449. In the city 755-5900. Call your corporate travel office or travel agent.

cally different from its six-year experience with remote equipment.

Since opening last March 2, the equipment has proved extremely reliable, having required just *nine* service calls, four of which were caused by defective electrical fuses. The annual service contract for 1977 will be approximately \$3,500 for 13 lanes, versus \$11,000 on six lanes at the old facility.

Stephen T. Jordan, bank president, reports, "Customer acceptance has been excellent, and drive-up traffic has increased 100% since the new facility opened. As many as 1,500 customers have been served in a three-hour period. The new equipment permits us to operate our new 14-lane facility with very little increase in personnel over the old six-lane facility."

Drive-up banking can be an effective and economical way to market a bank's services, but only if the equipment functions as depositors expect it to—*reliably*. • •

They're No Alcoholics:

Children Meet Brewers In Youth Baseball Clinic

Frost National, San Antonio, has helped a number of area youngsters meet the Brewers. No, the bank isn't contributing to child alcoholism; the Brewers are a class "AA" affiliate of the Texas Rangers.

The event was a free baseball clinic and game, called the Frost Bank Youth Baseball Clinic. Ball-club members were on hand to give the youngsters tips on baseball and to autograph free color photos of the team. Afterward, the children watched a game between the Brewers and the Midland Cubs.

To obtain a ticket for the clinic, all a youth had to do was visit a receptionist in the bank's lobby.

Aid for Earthquake Victims



Gil Mazzolin (l.), ch., Capitol Bank, Chicago, and Amy Mazzolin, mktg. service off., present a check to James Coli, pres., Joint Civic Committee of Italian-Americans. The donation was raised during the bank's Italian earthquake drive and will be distributed to relief agencies in Italy.

"This book, and the company behind it, made the job of opening our new bank almost easy."

**Phillip R. Boyce, President
Pacific Valley Bank
San Jose, Ca.**

"Several months prior to opening Pacific Valley Bank, I contacted Harland about providing us with a basic check list of forms and supplies we might need in our day to day operations. Soon, a Harland representative showed up with this New Bank Planning Book and a sincere desire to help us. No strings attached.

"The New Bank Planning Book was invaluable. It listed exactly what items we needed, some of which were not even produced or provided by Harland.

"Our Harland representative helped us immensely, giving us the benefit of his experience in opening new banks. He pointed out some problems we might experience, and helped us to avoid them before they happened. Again, no strings attached.

"To make a long story short, Pacific Valley Bank has grown extremely well, as has our relationship with Harland. The interest they showed in helping our small bank get started is still evident, and they continue to help us solve our day to day problems.

"I am extremely gratified with the relationship we enjoy with Harland, and I look forward to continuing it in the future."

At Harland, we do more than print checks. We print good ideas.

HARLAND

BANK STATIONERS, P.O. BOX 13085, ATLANTA, GEORGIA 30324



At Texas A&I:

Work-Study Scholarship Begun for Finance Majors

Corpus Christi National has established a work-study scholarship program at Texas A&I University, Corpus Christi, for students majoring in finance and/or accounting.

The "Corpus Christi National Bank Career Scholarship," as it's called, will provide a full scholarship and recipients will be employed by the bank on a part-time basis during the academic year for their on-the-job training. Two scholarships will be awarded this fall: one to a junior student and one to a senior.

Preference will be given to minority group students. Recipients must maintain a grade point average of 2.5 on a four-point scale.

Get Your Grips:

Luggage Draws Customers To First of Chicago

More than 7,000 new customers joined the rolls at First National, Chicago earlier this year. And those customers walked off with more than 14,000 pieces of luggage!

Of the new customers, about 33%

opened new savings accounts. Total deposits were in the \$7-million range.

American Tourister "Escort" luggage was offered at reduced prices for deposits of \$250 or more. Customers could purchase as many as five different pieces of soft-sided, grained vinyl luggage from six sizes that were available: a 16-inch tote for \$9.95; a 22-inch carry-on for \$19.95; and for \$24.95 each, a choice of a 26-inch pullman, 40-inch car bag or a three-inch or five-inch attache case.

As an extra benefit, customers could request delivery service for a small charge.

"Travel in Good Company" was the headline of ads announcing the promotion. Daily newspapers and a local radio station carried the bank's incentive message to the public. Coupons for mailing deposits and luggage orders were included in print ads and displays featuring the merchandise were situated in various places around the bank.

Keeping Employees 'Cool'

(Continued from page 38)

bags imprinted with the CNA logo, contain a plastic bandage, headache tablets, Tums, stomach powder, a cough drop, seltzer powder and mouth wash, all in a packet that resembles luggage,

plus a candy bar in a firecracker-type container. CNA suggests that the latter could be used as a coin bank. The tote bag, which also can be used to carry personal belongings on moving day, comes with a note that says, "There might be a moment or two when you'll find yourself getting hot under the collar. Cool off . . . bank those fires . . . just count to 10 and drop some pennies into your firecracker bank. It'll save the day."

After the moves are made, CNA arranges for a plant to be on the desk of an employee at his or her new location the first thing Monday morning (the moves always are made on weekends) or within an hour or two after the employee arrives. Also, as soon as a department is settled down from its move—usually a day or two afterward—CNA serves coffee and rolls there, thus creating a party atmosphere and helping employees start out in their new offices in a good mood.

Employees are an important asset to any business, including banks, and the happier and more contented they are, the better job they'll do for their employers. Thus, when banks are making plans to remodel their present quarters or erect new buildings, they should consider programs like those at Mercantile and CNA. They could help staff members "keep their cool" during a period of change and uncertainty. • •

When You're in St. Louis,

Why Not Go One Step Further

And Take Advantage of the Finest Hotel Accommodations

the City Has to Offer . . . **Cheshire Lodge**



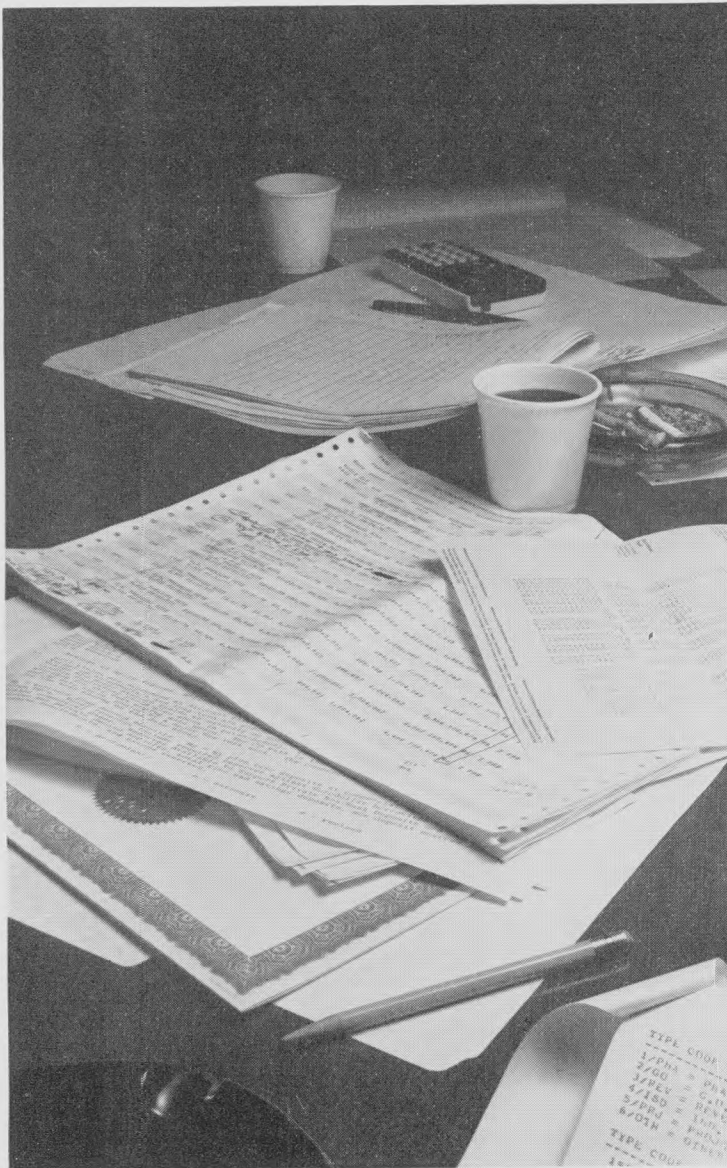
Located between, and only minutes from,
Downtown St. Louis and the Clayton Business District



Cheshire Inn & Lodge

6300 CLAYTON ROAD SAINT LOUIS, MO. 63117
(314) 647-7300

Everything about the portfolio added up. But the earnings.



A correspondent bank faced a big problem.

Their million dollar portfolio wasn't performing. And with rising expenses and decreasing loan demands, it looked like they wouldn't meet their income goals in the years to come.

Faced with this dilemma, they came to a bank with a proven earnings record. First in Dallas. Where a team of Asset and Liability Management Specialists rolled up their sleeves. And got down to business.

They started by looking long and hard at the bank. Where it was and where it was going. The debt structure, their customer profile, and a dozen other factors.

Then, after they knew the bank and the town, they used their market knowledge and the experience they had gained from managing their own portfolio to recommend changes.

Like the wider spread between "agencies" and "governments." A strategy for advance refunding maturities. And active management of both assets and liabilities.

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Code of Ethics for Credit-Information Exchange Is Revised by RMA for First Time in 60 Years

EXCHANGING credit information, of course, is an essential part of most commercial banks' day-to-day operations. Their decisions to extend credit to borrowers often hinge on data gathered from external sources. In addition, procuring information is an important service banks offer to their own customers so that those customers can make wise credit decisions.

To help banks in this area, Robert Morris Associates adopted—in 1916, two years after it was founded—a Code of Ethics for the Exchange of Credit Information. Since then, according to RMA, its principles on handling inquiries and replies have provided the ethical framework for the exchange of credit information on commercial customers. Although originally drafted to govern the exchange of such information between banks, both RMA members and nonmembers, the code's precepts have spread to serve as the foundation for all commercial-credit-information exchange in the U. S.

However, RMA points out, in recent years, there's been an increase in the number of problems in the credit-information-exchange area as well as violations of the code. The general result has been a deterioration in the adequacy, accuracy and promptness of information exchanged. Principal violations of the code have included indiscrete handling of confidential information, revealing the name of the source of information or the inquirer without consent, failing to tell the bank of account that the subject of the inquiry also is a prospect when an inquiry is made and failure to discuss frankly the purpose of the inquiry.

Starting in the fall of 1975, RMA's Credit Division gave top priority to im-

proving the situation by appointing a special committee to conduct an intensive study into all phases of the information-exchange process. Through research and discussions with bankers around the country, the committee confirmed that many problems and violations stemmed from a lack of understanding of the credit-information-exchange process and of RMA's code.

Therefore, the group turned its attention to the code itself. It consolidated the existing code's 12 articles into eight, including a new one covering requests for information based on actual or contemplated litigation. Although none of the principles of the original code were deleted, RMA emphasizes, the resulting articles are clearer and more concise.

RMA also developed accompanying explanatory comments for each of the articles. Much of the commentary material consists of guidelines on how to exchange credit information and abide by the Code of Ethics.

The revised code was approved by RMA's board, and copies have been mailed to the 6,600 individual representatives in RMA's 1,700 member-banks. These banks represent 75-80% of all U. S. commercial banking resources. The association also mailed a copy to the CEO of each of the nation's commercial banks.

Up to 50 free copies are available from RMA headquarters, 1432 Philadelphia National Bank Building, Philadelphia, PA 19107.

Following are the revised code's eight articles and accompanying comments:

ARTICLE 1: There are two cardinal principles in the exchange of credit-information: confidentiality and accuracy

of inquiries and replies. Included are identity of inquirers and sources which cannot be disclosed without their permission. Adherence to these and the other principles embodied in this code is essential, as offenders jeopardize their privilege to participate further in the exchange of credit information.

COMMENTS: Confidentiality, as used here, is based on the reliance placed on the fidelity of another with whom information is being exchanged. A trust is placed in all parties involved that the information has been requested for a legitimate purpose and will not be used indiscriminately.

When investigations are being conducted, identity of the inquirer should not be divulged without its authorization. Similarly, identity of the source of the information should not be made known without its authorization.

Facts presented must be accurate because the bank reference is one of the most pertinent sources of credit information. When discussing data, favorable or unfavorable, the responding bank must give a reply that's restricted to or based on fact. If a discrepancy is discovered within a reasonable time after an inquiry has been answered and is considered to be significant in relation to the purpose of the inquiry, it's prudent and ethical that the discrepancy be disclosed to the inquirer.

It's expected that, as a matter of professional courtesy, no liability will be attached to or result from the good-faith exchange of information.

If the information is for a customer, it should be screened according to the customer's needs, credit sophistication and ability to handle the information discreetly.

Adherence to these and other prin-

There's been an increase in the number of problems in the credit-information-exchange area as well as violations of the (RMA) code. The general result has been a deterioration in the adequacy, accuracy and promptness of information exchanged. Principal violations of the code have included indiscreet handling of confidential information, revealing the name of the source of information or the inquirer without consent, failing to tell the bank of account that the subject of the inquiry also is a prospect when an inquiry is made and failure to discuss frankly the purpose of the inquiry.

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ciples embodied in this Code of Ethics is essential. Violations of the code could damage the reputations of offending banks and individuals. If they demonstrate an inability and/or unwillingness to handle and exchange credit information responsibly, they risk losing the privilege.

In addition, violations of the code by RMA member banks may lead to termination of their membership in the association, in accordance with Section 2.07 of the RMA bylaws.

ARTICLE 2: Each inquiry should specifically indicate its purpose and amount involved.

COMMENTS: One of the most important elements of an inquiry is its purpose. The bank receiving the inquiry has a right to know why the information is needed. If no purpose is given, there's no obligation to respond. Knowing and understanding the purpose of an inquiry places the recipient in a better position to respond with the type and amount of information needed to satisfy the inquirer. When the purpose of the inquiry is solicitation, acquisition, merger, competition or actual or contemplated legal action, reply is at the discretion of the bank of account.

The inquirer should state the initial steps taken, as well as the information on hand, to avoid duplication of effort.

Legitimate use of credit information is to assist an inquirer who expects to extend credit or otherwise rely on the subject of the inquiry in business dealings. An inquiry should not be answered without first determining its legitimacy and establishing the identity of the inquirer. For example, when receiving a telephone inquiry, information should not be disclosed on the first call unless the inquirer is known and identified. A return call usually will establish the inquirer's identity.

In the majority of instances, a specific amount is involved in the transaction that generates an inquiry. When initial trade credit is involved and no amount is established, the inquiring party should be asked for the normal size of its transactions. A range of figures such as \$500-\$1,000 or \$50,000-\$60,000 is acceptable. It's unacceptable to use fictitious figures or to inflate the amount involved to induce the responding bank to provide details beyond what may be necessary to answer the inquiry suitably. If, for some reason, there's no amount involved, the inquirer should state this in a manner that logically would satisfy the respondent as to the overall purpose of the inquiry.

A proper inquiry should contain the following: 1. *Subject:* The subject of the inquiry should be identified as completely as possible, including full

name, address and names of principals.

2. *Purpose:* Reason for the inquiry should be given in sufficient detail to allow the recipient to make an appropriate response. 3. *Experience:* If the inquirer has had experience with the subject, a summary of that experience should be provided. Doing this creates a true *exchange* of information and helps eliminate duplication of effort. 4. *Requirements:* The inquirer should be specific about the information required to satisfy the needs of the inquiry, such as deposit relationships, loan experience, financial information, assessment of management, etc. 5. *Other:* Any other factors relevant to the inquiry should be disclosed.

ARTICLE 3: Responses should be prompt and disclose sufficient material facts commensurate with the purpose and amount of the inquiry. Specific questions should be given careful and frank replies.

COMMENTS: Prompt and accurate replies are signs of dependability and professionalism that help users of the information conduct business on a timely basis. Although response time to inquiries will vary depending on amount of information needed, the following general guidelines are considered appropriate:

TYPE	RESPONSE TIME
Wire or cable inquiry	Within 24 hours of receipt
Telephone inquiry	Within 24 hours of receipt
Written inquiry	Within 4 days of receipt
Telephone investigation	Two working days
Written investigation	Six working days

If unusual delays are expected, the inquirer should be informed.

Once the legitimacy and requirements of the inquiry are established, it's answered by providing a summary of the bank's experience and knowledge of the subject commensurate with the amount involved and the respondent's confidence in the inquirer.

A full response may include: 1. Opening date of the relationship. 2. History of the subject. 3. Demand-deposit relationships. 4. Summary of the borrowing relationship, if any. 5. Financial statement data.

ARTICLE 4: When an account is being solicited, it's not permissible to make an inquiry of a competitor without frankly disclosing that the subject of the inquiry is a prospect. Reply is at the discretion of the bank of account.

COMMENTS: Free exchange of information between banks depends, to a large degree, on the confidence that the inquiring bank will not use the

credit information it receives to solicit the respondent's accounts. Providing credit information is a courtesy, and, in some instances, revealing information could jeopardize the account relationship between the responding bank and the subject.

Violations of this confidence are very serious. They not only damage the inquirer's relationship with the responding bank, but also create a guarded situation that can only impede the exchange of credit information. For this reason, when solicitation is the purpose of an inquiry, this fact must be stated clearly to the bank of account, which has the option to decline information on such inquiries.

If a bank is soliciting an account of a competitor and is asked by a customer to obtain credit information on that account, the soliciting bank should explain the ethical considerations involved and suggest that the inquiring customer contact the subject's bank directly.

All parties to credit inquiries that involve solicitation must be aware of the basic confidence inherent in the exchange of information and act in a responsible manner to preserve that confidence and trust.

ARTICLE 5: A request for information based on actual or contemplated litigation shall be clearly identified as such. Reply is at the discretion of the bank of account.

COMMENTS: When the purpose of a request for information is actual or contemplated legal action, full disclosure of this fact by the inquirer is necessary. It's clearly unethical to disguise the purpose of any inquiry. This could be detrimental to the parties involved, especially when legal action is associated with an inquiry. Under those circumstances, the potential for damages is such that all parties must exercise considerable judgment before conducting an investigation or answering an inquiry of this nature.

Whenever the bank of account is placed in a conflicting position of providing information and, at the same time, protecting its customers, amount of information, if any, will be at the discretion of the responding bank.

ARTICLE 6: All credit correspondence, including form letters, should bear the manual signature of a responsible party.

COMMENTS: Manual signatures on all credit correspondence, both inquiries and replies, are essential. Good-faith responsibility for accuracy of the information contained in the correspondence is assumed by the signer. This is the case whether or not the signer gathers the information. The ti-



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Management Analysis

(Continued from page 10)

The size of the bank and of the problem firm has a lot to do with the type and quantity of assistance bankers can provide to a faltering firm. The relationship between the banker and company management is also important. Most banks can and will provide some assistance, particularly for a closely held small- to medium-sized firm.

The situation is more complex where the firm is larger and publicly held, for in that case the Securities & Exchange Commission and the exchanges are involved. Legal considerations must be reckoned with and it is questionable whether the bank should be involved at all in the company's operations. In addition, most banks do not carry a staff large enough to provide adequate on-site and short-term management. The bank's sole alternative might simply be to call the loan when it goes into default.

In many cases, a bank can benefit a great deal from calling in a consultant to help bail out a firm facing difficulties. Before doing so, however, the consultant's capabilities and professionalism should be investigated. The professionally qualified consultant should measure up to the following qualifications:

- Have the background and experience necessary to do the job and provide personal and performance references when requested.
- Be completely objective and unbiased in his approach, taking care to do a professional job, knowing that it does not always make everyone happy.
- Be tactful and diplomatic.
- Command the respect of those he associates with.
- Possess outstanding judgment and be willing to be gauged by the evaluations he makes.
- Respect the confidence and trust placed in him.

A consultant who measures up to these standards is in a position to help the banker in three ways:

- Providing on-site evaluations of a banker's portfolio loan which may be suspect;
- Undertaking short-term interim management assignments where a turnabout in a customer's operations is desired by the bank and the customer;
- Making acquisition studies of banks available for purchase and giving factual, objective and unbiased data to the potential buyer. • •

tle, if any, and name of the authorized signer also should be typed or printed on the correspondence. Doing this will help address responses correctly and identify clearly the person to contact if questions arise regarding the inquiry or reply.

ARTICLE 7: Sharing credit information on a mutual customer should not be more frequent than annually, unless a significant change in the relationship requires an earlier revision.

COMMENTS: Credit information on mutual customers normally is reviewed annually. It should not be necessary to inquire more frequently unless interim financial data, news items, agency information or other sources point out an actual or potential problem. Information should not be requested when there's no real need.

The bank requesting the information should give a summary of its experience first. This sharing of information by both inquirer and respondent is stressed because it prevents duplication of effort and is consistent with the cooperative spirit inherent in exchange of credit information. On mutual revisions in particular, care should be taken regarding discussion of interest rates charged and compensating-balance requirements since revealing this data could have antitrust implications.

ARTICLE 8: When multiple inquiries are made simultaneously on the same subject, the inquirer should state clearly that information from the bank's own files is sufficient.

COMMENTS: Basically, there are two situations under which simultaneous inquiries are made to banks within the same city: where it's known that the subject has account relationships with more than one of them or where the subject's bank(s) of account is not known (which gives rise to what's commonly known as a "fishing expedition").

In the first instance—more than one known bank of account—courtesy dictates that each responding bank be told that research beyond its own files won't be necessary.

The second situation—"fishing"—should be avoided whenever possible. The inquiring bank should make every effort to determine the subject's bank(s) of account before initiating any inquiry.

But if for some reason the name of the bank(s) of account can't be determined, the inquiring bank then has two courses of action open. It could make multiple inquiries as described above, again indicating to each bank that research beyond its own records won't be necessary. Or, preferably, it can approach just *one* bank in the city

in question and ask if it would either conduct the investigation or at least locate the name of the bank of account—which the inquiring bank, in turn, then can approach separately. All banks, particularly RMA member banks, are encouraged to assist one another in situations like this, as long as this courtesy isn't abused. • •

Citizens Nat'l, Decatur, Hosts Correspondents

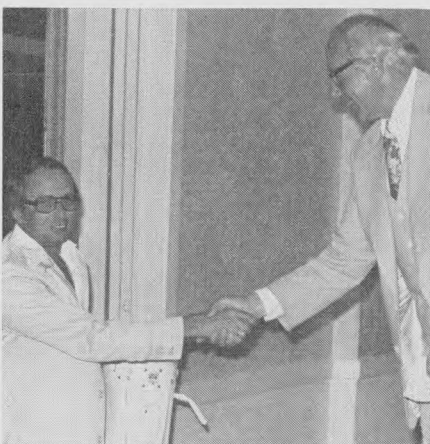
DECATUR, ILL.—"The Real Issues of '76" was the theme of the annual correspondent bankers party sponsored by Citizens National here last month at the Country Club of Decatur. Of the more than 340 bankers attending, 185 played golf.

Golf prizes were awarded at the traditional stag dinner. Low gross was won by Dr. Keith Correll of Crawford County State, Robinson, and low net by Harold Hooker, director, Peoples State, Newton.

Presiding over the day-long event were William Barnes III, chairman; J. L. Hunter, president; and Dale P. Arnold, senior vice president, who is responsible for the bank's correspondent relationships.



Bill Barnes welcomes guests and starts off the evening with a few well-chosen jokes.



Harold Hooker (l.), dir., Peoples State, Newton, wins the low net prize of a golf bag. Awarding the prize is Dale P. Arnold, Citizens sr. v.p., who is responsible for the bank's correspondent relationships.

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Not Everything Is Wrong in Washington, Kentucky Bankers Learn at Convention

Pro-Banking Legislator, Small Business Advocate Speak Out

IN AN ERA in which it seems that the cards in Washington, D. C., are stacked against banking, it was refreshing to hear Kentucky's First District Congressman Carroll Hubbard keynote the 82nd annual convention of the Kentucky Bankers Association. Congressman Hubbard is a definite friend of banking and he took pains to make sure every one of the 850 Kentucky bankers in attendance knew it.

He described his efforts in fighting "the battle of the Financial Reform Act in the House Banking, Currency and Housing Committee," from which he emerged with "an honest peace with honor," an allusion to the Vietnam conflict.

"Unlike our experience in Vietnam, however," he said, "this peace with honor was not achieved by withdrawing from the battle. Instead, the forces of common sense prevailed upon those members of Congress who advocated a piece of legislation that could have seriously destabilized the financial institutions industry."

He predicted that, although the Financial Reform Act is dead for the present, he is not optimistic about how long

By **JIM FABIAN**
Associate Editor

it will be before similar legislation surfaces in the next Congress.

Congressman Hubbard warned bankers that "unless a better dialogue between the banking community and the banking committee is established, I fear that the problems which have surfaced in the Congress will resurface in future congresses. Much of the legislation we have been considering in Washington makes a great deal of sense in theory. In practice, however, it has the potential for disaster."

He said that a number of legislative atrocities were nearly committed against the banking community in the name of reform in the last Congress. He added that it speaks well of the committee that most of the ill-advised financial institution reform measures never got as far as the House floor.

After describing the inequities among financial institutions proposed by the Act, he said, "If we in the Congress mean what we say about free competi-

tion, then we shall have to allow all financial institutions to compete in a free market under the same rules. Otherwise, we might as well call the Financial Reform Act the Financial Reshuffle Act and at least admit that our banks are being dealt the worst hands."

Congressman Hubbard said that his experience with the Financial Reform Act had taught him a lesson, one from which all could benefit. "First," he said, "Congress should be better attuned to the needs and interests of the financial community. Likewise, the financial community must determine what it needs and communicate this to Congress.

"I think we have all come to realize that, just as one cannot tell a book by its title, one cannot tell a bill by its title. Good legislation is not written by academics in a practical vacuum. The people who know best what a bill means are the people who stand to gain or lose from the legislation. These are not politicians; they are men and women like yourselves. I seek your help in filling the gaps in our knowledge so that the House of Representatives can be truly representative."

Another popular convention speaker was Milton J. Hayes, consultant for American National, Chicago. Mr. Hayes spoke about managing bank bond accounts.

He said the bond market is strong at this time because the Fed is keeping the money supply within a conservative range. It has withstood criticism for its stand and has acted to not fuel inflation, thus making investors come to the bond market for liberal yields.

Another reason for a good bond market is the fact that bank loans have been sluggish, he said, forcing banks to invest in government bonds. He added that individuals have a new preference for bonds over stocks, which

New KBA officers are (from l.) T. A. Juett Jr., pres., Citizens State, Wickliffe—pres.-elect; O. T. "Twig" Dorton, pres., Citizens Nat'l, Paintsville—pres.; and Homer Profit, pres., Nat'l Bank, Lancaster—treas.



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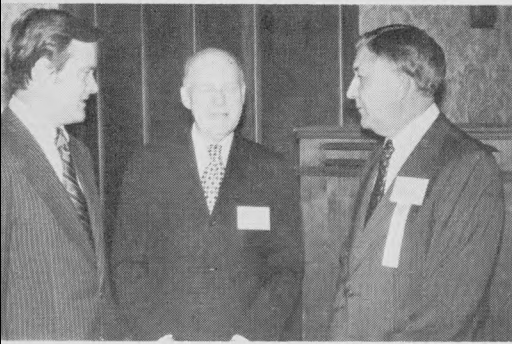


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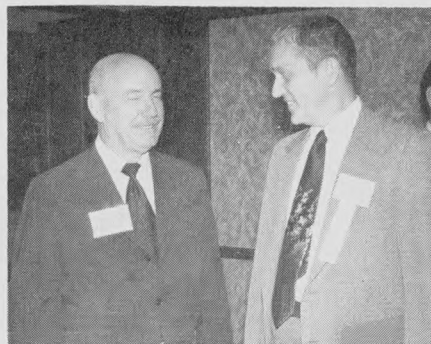
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Among speakers at KBA convention in Louisville last month were (from l.) Robert E. Barnett, ch., FDIC; Milton Hayes, consultant to American Nat'l, Chicago; H. D. Sullenger, KBA treas. and pres., Farmers Bank, Marion. Mr. Barnett discussed 100% deposit insurance.



KBA Pres. Leon Page (r.), pres., Franklin Bank, chats with convention speaker William A. Glassford, exec. dir., BANKPAC, Washington, D. C. Mr. Glassford spoke on the need to provide financial support for candidates for federal office who are friends of banking.



ABA Pres.-Elect (now Pres.) W. Liddon McPeters (l.) discusses with Joe L. Hamilton, e.v.p., Citizens Fidelity, Louisville, Mr. Hamilton's recent appointment as national commanding general of the Kentucky Colonels, which was announced at convention breakfast.

has helped to lower bank interest rates.

He also said that corporations have cut down their expansion plans and thus are making fewer bond offerings, which has helped bolster the bond market.

He said that the economy will continue its upward trend for the next 18 months if the business climate continues to be favorable. He added that a new administration in Washington could spell the end of the recovery, should it be anti-business.

If President Ford is reelected, Mr. Hayes said, continued fiscal restraints are seen. If the Fed's policy stays the same, he added, interest rates should be stable or even lower.

On the other hand, he said, if Governor Carter is elected, Congress will pressure him to spend to lower the unemployment figure, causing higher interest rates. In addition, he said, Fed Chairman Arthur Burns might resign, ruining the stability factor.

In answer to the question of how bankers should handle their bond accounts, Mr. Hayes advised that they be aware of any possible long-term downturns in interest rates. Any interruptions will be temporary, he said. He advised bankers to acquire 8% 10-year maturity bonds if they are available, and to confine their accounts to direct Treasury obligations, since agency bonds are not the best risks.

He said bankers could do better by investing in the two- and five-year range because yields are more attractive in this area. He advised against using Treasury bills, however.

The municipal bond area is a tough one, he said. Great caution and careful selection are advised. The situation could improve, he said, if municipals manage to ride on the coattails of other bonds.

He said the crises of the cities are deepening and that the fiscal soundness of municipalities in general pose a seri-

ous situation to bondholders. He advised thorough credit analyses and said that bankers should not take the word of bond salesmen.

"You can't justify a loan in a distant city," he said, "so don't justify municipal bonds in a distant city either!"

Anthony S. Stasio, chief counsel for advocacy, Small Business Administration, Washington, D. C., presented a rousing talk on the merits of small business people.

He called on bankers and other small businessmen to get their act together to protest against restrictive consumer legislation that is pouring out of the federal legislature. He said conforming to federal regulations is non-productive to the businessman. Legislation such as OSHA is enacted due to a lack of awareness on the part of legislators to the problems of small business, he said.

He advised building the small business community up by making sure that every state has a small-business advocate and that every school child is exposed to support for free enterprise. He called on the KBA to support a small business advocate in Frankfort.

Clyde W. Jackson, president, Kentuckiana Automated Clearing House (KACHA), and vice president, marketing, Bank of Louisville, reported on the status of KACHA. He said the ACH is not a competitive tool, thus it is not marketed to the general public by member banks. He said the ACH has grown from the five instigating Louisville banks to a membership of 180.

KACHA has been onstream since April and insurance firms and utilities are coming on board. He also said bilateral exchanges with other ACHs are being explored and said that savings will be realized as volume increases.

KACHA can reduce the paper flow, save money, prepare for future EFT services and enable a bank to market new services, he said.

ABA President-Elect W. Liddon Mc-

Peters warned Kentucky bankers that the unregulated expansion of credit unions jeopardizes credit union members and the national economy.

Mr. McPeters, who is president, Security Bank, Corinth, Miss., said that when credit unions depart from their traditional role and offer bank-like services "without having to adhere to responsibilities and safeguards required of banks, then I become alarmed. This is not only unfair competition; it also jeopardizes the financial well being of the credit union members and undermines the nation's economy."

Between 1950 and 1971, the number of credit unions doubled to 22,812 and their total assets increased 38-fold, he said. They currently provide 15.7% of total U. S. consumer installment credit.

He said that the National Credit Union Administration (NCUA) recently authorized more than 296 federal credit unions to offer sharedraft payment instruments which look like, and are used as, checks. Share-draft accounts already contain more than \$60 million, he said.

He added that the ABA believes this venture by credit unions into share-draft accounts is illegal and the association has brought suit against NCUA, asking the court to order share-draft account authorizations withdrawn and to prohibit future authorization of such accounts.

He said the solution to the problem is for those credit unions desiring to assume bank-like status and powers also to accept the various requirements and restrictions imposed upon banks.

KBA resolutions passed during the convention concerned overregulation of banks; the newly organized KBA/PAC, designed to provide financial assistance to candidates for state office who are friendly to banking; and a call to the state governor to include the topic of Workmen's Compensation rate increases in his call for the 1976 special legisla-

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There's a lot more, and if you're interested, you should call J. Wayne Williard, Jr., collect at 919/725-7261. As Vice-President of Credit Insurance, he'll be happy to arrange an appointment at your convenience, without obligation. Or, if you don't feel like talking, write him at Integon Life Insurance Corporation, P. O. Box 3199, Winston-Salem, N. C. 27102. Either way, once you get all the facts, we think you'll agree that Integon's Credit Insurance program is not only pleasant and profitable.

But also easy as you-know-what.



J. Wayne Williard, Jr., Vice-President



tive session.

O. T. "Twig" Dorton, president, Citizens National, Paintsville, moved up to the president's spot during the convention, succeeding Leon Page, president, Franklin Bank. Elected president-elect was T. A. Juett Jr., president, Citizens State, Wickliffe. The new KBA treasurer is Homer Proffitt, president, National Bank, Lancaster.

Elected to the KBA board was I. B. Utley, president, Farmers Bank, Henderson. Reelected to the board for full terms were J. David Grissom, chairman and CEO, Citizens Fidelity, Louisville, and Joe D. Stacy, president, Bank of the Mountains, West Liberty. Both men had been serving partial terms.

• **Eugene H. Adams** has announced that he will retire as chairman of First National and of its parent HC, First National Bancorp., Inc., both of Denver, on December 1. Succeeding him in those posts will be Theodore D. Brown, who will remain as bank president. Mr. Adams, a former ABA president, will serve as vice chairman of the bank and HC until his retirement in January, 1977. Bruce D. Alexander remains as president of the HC and will become HC executive committee chairman.

Nat'l Assn. of Bank Directors Forms With J. Webb as Pres.; Is Headquartered in Washington

WASHINGTON, D. C.—James Webb, chairman, Nashville City Bank, has been elected president of the newly formed National Association of Bank Directors (NABD).

The association, which has headquarters at 1019 19th Street, N. W., here, is designed to serve the needs of directors throughout the country. Directors and advisory board members of all banks joining the organization automatically become members.

Besides Mr. Webb, the following NABD officers have been announced: chairman—Jerome D. Twomey, president, Sterling National, New York City; vice president—Frank B. Hower Jr., chairman, Liberty National, Louisville; vice president—Robert E. Porter, president, Planters Bank, Forrest City, Ark.; secretary—J. Clifford Ourso Jr., executive vice president, American Bank, Bat-



WEBB

on Rouge; treasurer—O. Jay Tomson, president, Citizens National, Charles City, Ia.; and general counsel—Martin Sterenbuch, attorney, Washington, D. C.

Named to the association's executive committee were these Mid-Continent-area bankers: Pat Moore, president, American State, Thomas, Okla., and John H. Neill Jr., president, Union Bank, Montgomery, Ala.

According to an NABD spokesman, several services will be provided by the organization to bank directors:

- Educate them in the duties and responsibilities of their position.
- Increase their understanding of how a director may better serve his bank and represent the institution in the community.
- Inform them of critical economic and political issues.
- Facilitate an interchange of information which directly concerns all bank directors.
- Provide a certification program for directors.
- Represent directors in legislative, legal and supervisory agency matters.

According to Mr. Webb, the association will begin operations nationwide immediately and make memberships available to all banks. A first annual Bank Directors Conference has been slated for April in New Orleans and planned for members are seminars, regional workshops, Washington, D. C., study trips and foreign seminars.

Beginning in 1977, the School for Bank Directors will be conducted at the University of Oklahoma, Norman, and the *Bank Directors Information Letter* will be sent periodically to all members to keep them informed on items of current interest.

"Chief executives of banks as well as other bank directors long have felt the need for an organization to represent them," an association spokesman said. "With increased scrutiny being given to all organizations by governmental and consumer groups—particularly to the actions and responsibilities of bank directors, an association devoted to the needs and interests of bank directors is needed nationwide. Directors need to be informed constantly of their rights as well as their responsibilities. Also, they must be refreshed continually on how they can help their banks serve the public better. They must be informed on the best methods of supporting legislation that will tend to make banks prosper and thus be more useful to their customers.

"These are things the National Association of Bank Directors will do for its members."

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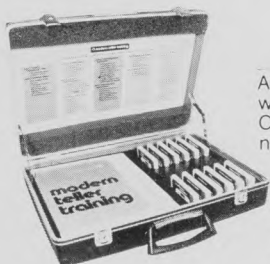
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Cropland Sales to Europeans, Ag Reports Highlight 20th Market Day in St. Joe

By **JIM FABIAN**
Associate Editor

FOR TWENTY years, the people at First Stock Yards and First National, St. Joseph, Mo., have been providing informative Market Day programs for client banks. And last month's Market Day was no exception.

Beginning with a tour of the Blue-side Co., cow-hide processor, and ending with the traditional steak dinner, bankers gathered a wealth of information on American ag property in Europe.

Principal speaker at the afternoon meeting at the St. Joe Country Club was Brigadier General Harold L. Oppenheimer, chairman, Oppenheimer Industries, Inc., Kansas City. His topic was "An Update on the Overseas Agricultural Investment Inflow."

General Oppenheimer said a total of \$30 million worth of ranchland in the U. S. has been sold to European interests in the last 14 months. He said there is intense interest in the acquisition of American ag property in Europe.

This stems from the emotional appeal land has in Europe, where control of an area is often in the hands of the largest landowners. Due to this appeal, he said, the price of land in Europe bears no relationship to what can be earned from it, as is the case here. Europeans are so jealous of their landholdings that they often do not permit foreigners to gain title to land. The U. S., he said, is one of the few nations in the world that has no federal restrictions on acquisition of land by foreigners.

But the story is different at the state level, he said. Many state statutes for-

bid ownership of land by foreigners. Most of these statutes are old and were enacted to forestall the possibility that America would adopt the landholding system prevalent in Europe, where a few individuals end up with the lion's share of the land while the majority of citizens are land-poor.

He said that Missouri and Kansas do not have restrictions on foreign acquisition of land, but Iowa is quite hostile to foreign purchases.

West Germans are especially fond of U. S. ranchland and have been buying it as fast as possible, he said.

Highlight of the afternoon session was the traditional panel discussion on the state of the agricultural economy. Moderator this year was youthful Jim Reynolds, director, St. Joseph Market Foundation.

Russell I. Hallberg, representing Seitz Packing Co., said cattle slaughter



John E. Karn (l.), e.v.p., First Stock Yards Bank, St. Joe, chats with William J. Kennedy, e.v.p., and his brother, John P. Kennedy, v.p., both with First Nat'l, Frankford, Kan.

is up and cattle are heavier than normal. This condition has existed for three years and has resulted in much poor-grade beef. He called on bankers to advise farmers to cut down on the weight of their cattle. He also said things should improve by mid-1977.

Frederick E. Hannah of Bartlett & Co. Grain told of the damage done to the grain crop by the drought. He said he expects to see the lowest grain carry-over in the last five years in 1977. He said the price of wheat is competitive as feed grain, which will temper the use of corn as feed. The situation is similar to that of the last few years and it appears that an adequate supply of corn will be harvested. He said corn will probably trade down to the \$2.50 to \$2.75 level this fall. However, he said, the unknown needs of foreign nations make the grain picture cloudy. He advised bankers not to expect corn to rise to the \$3.50 or \$4 level until next year and then only if demand rises due to another drought.



Shown with featured speaker at Market Day program, Brig. Gen. Harold L. Oppenheimer (r.), ch., Oppenheimer Industries, Kansas City, are H. H. "Beanie" Broadhead Jr., pres., First Stock Yards Bank, St. Joe, and Lee R. Schuster, e.v.p., Oppenheimer Industries.

He predicted that the soybean crop would be one million bushels lower than the USDA figure, yet the U. S. is expected to be the only nation with soybeans to sell to other nations. Soybeans, he said, are expected to act independently of the rest of the grain market.

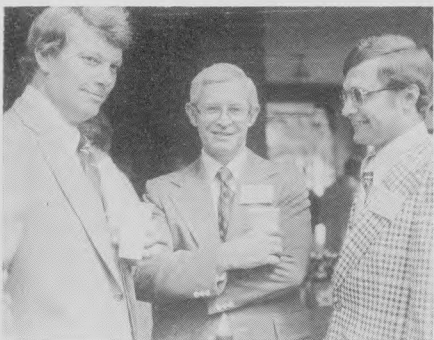
Glenn A. Long, St. Joe Stock Yards Co., reported on the remodeling job going on at the yards.

Ivan R. Rowelett, Colt-Wall-Bethel Commission Co., said that slow hog sales are 9% above last year, but 11% below June of 1974. The total number of hogs marketed this year is the lowest since 1965. He said the number of feeding floors is up and there are more floors than people to raise them. If the price of corn stays high, he said, pigs will be marketed lighter in the future; if corn prices drop, marketed pigs will be heavier.

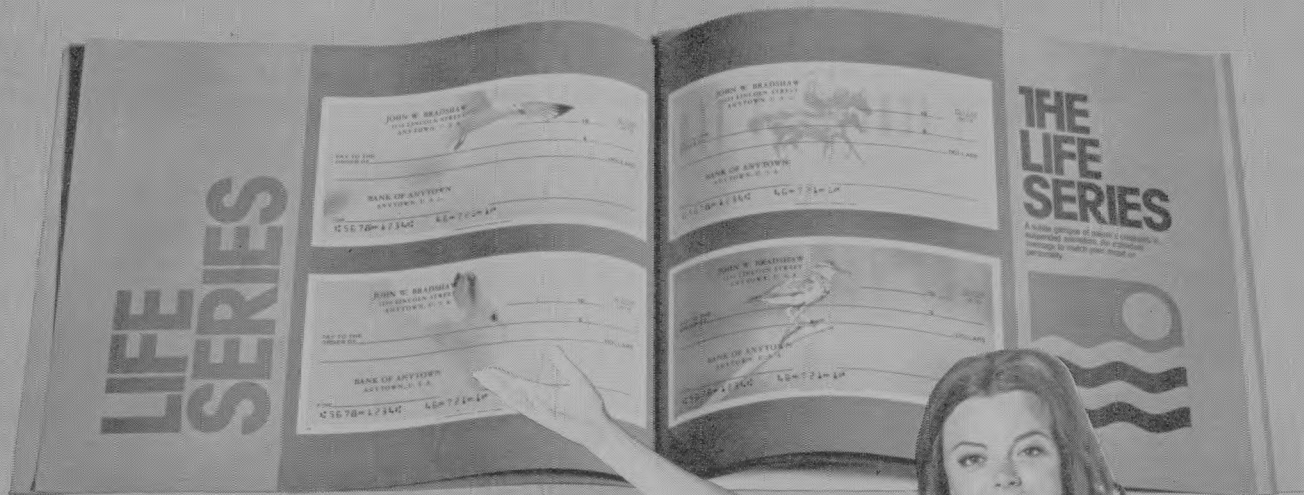
Thomas D. Runyan, National Order Buying Co., said there are more feeder cattle sellers than buyers. This might change after the next 60 days. Calves will be high because they're in short supply, but there are too many yearlings because cows have been sold while calves have been retained. He predicted that this problem will not exist a year from now. He also predicted that the cattle feeder should make a profit next year.

Harold W. Smith, Missouri-St. Joe Live Stock Co., called for a sound stocker and feeder market. He said that the St. Joe area is a marginal one regarding crops so more roughage and pasture production should be encouraged for use as feed. Such a situation would benefit the feeder market and bolster feeder farmers, he said. He predicted that a lot of cows will be marketed this year due to lack of feed and water.

He called on bankers to look at the larger picture and consider what the farmer is going through. The banker should try to keep the farmer in business during these rough times. "The last thing we need today is wholesale bankruptcies or forced sales," he said. • •



Phil Miller (c.), v.p.-ag. rep. at First Stock Yards Bank, St. Joe, chats during break in program with Thomas D. Runyan (l.), panelist from National Order Buying Co., and Bill Holt, v.p., Home Bank, Savannah.



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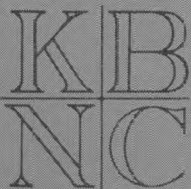
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Alabama

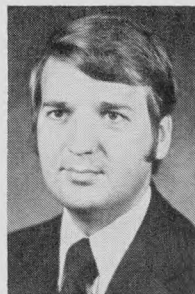
■ **JOSEPH L. COLEMAN** has been appointed a sales engineer with LeFebure Corp., which is headquartered in Cedar Rapids, Ia. Mr. Coleman will operate out of LeFebure's New Orleans Branch and will serve an area including southern Alabama.

■ **FIRST NATIONAL**, Birmingham, has announced the election of Edmund A. Terrell as vice president and loan officer and W. Michael Graves as vice president and trust officer.

■ **COMMERCIAL GUARANTY BANK**, Mobile, has opened a new trust department with its philosophy based on in-depth financial planning. Heading that department is William V. Garin, vice president, who recently joined the bank and has an extensive trust background.



MARIS



COLEMAN

Arkansas

■ **EUGENE L. "PETE" MARIS**, vice president, Worthen Bank, Little Rock, has been named to head the bank's new agri-credit department. The new department will provide specialized financial assistance to the state's agricultural industry and will work closely with Worthen's correspondent department.

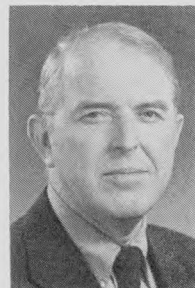
■ **FRED W. WILCOX**, cashier, Security Bank, Paragould, has graduated

from Bank Administration Institute's School of Bank Administration at the University of Wisconsin, Madison.

■ **NANCY H. BAILEY** has been appointed assistant vice president and business development officer at Union National, Little Rock. She previously served the bank from 1963-1969.

Illinois

■ **NATIONAL BOULEVARD BANK**, Chicago, has advanced Edward K. Aldworth and John C. Erwin to senior vice presidents. Mr. Aldworth will have additional duties in commercial banking, while Mr. Erwin will head the commercial department. Succeeding Mr. Erwin as real estate department head is Gerald W. Daly, who has been named vice president.



ERWIN



ALDORTH

■ **CONTINENTAL ILLINOIS CORP.**, Chicago, has completed acquisition of outstanding stock of Continental Illinois Venture Corp., a small-business investment company (SBIC). The unit will operate as a wholly owned subsidiary of the HC. Continuing as president and CEO of the subsidiary is John L. Hines. The acquisi-



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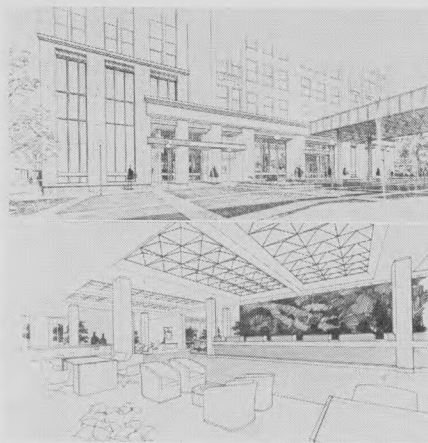
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tion was allowed by a recent change in the federal Small Business Investment Act enabling full ownership of an SBIC by a bank HC. Continental Illinois Venture was formed in 1970.

■ **FRANK E. BAUDER** has joined Main Bank, Chicago, as executive committee chairman. He will head the bank's commercial loan department and business development operations. Prior to joining Main Bank, Mr. Bauder was chairman, Central National Chicago Corp., and previously had been vice president, commercial lending division, Continental Illinois National, Chicago, for 17 years.

■ **CITIZENS NATIONAL**, Decatur, has announced it will expand and remodel its building. Familiar and traditional aspects of the bank's lobby will be retained in a contemporary setting featuring a two-story planted atrium with a fountain and pools. The interior will be reorganized to provide better service to customers and an area formerly leased by a drug store will be occupied by the commercial and installment loan departments. There also will be a new customer service area and the



TOP: Mall view of planned expanded and remodeled building of Citizens Nat'l, Decatur, shows, at l., how site formerly leased by drug store will be added to bank. **BOTTOM:** Proposed atrium lobby retains many features of old building but adds open-space design, plants.

tellers line will be moved. The main entrance will be moved, the safety deposit vault will be enlarged and an after-hours banking office will be accessible from the mall. Design, space planning and construction management for the project, which is scheduled for completion in spring, 1978, is Bunce Corp., St. Louis.

Hoesch Is CEO of New Bank

CHICAGO—Vernon S. "Tex" Hoesch has been named CEO of the newly chartered First Security Bank, which will be located at 196 East Pearson in Water Tower Place. Mr. Hoesch is founder and the former chairman and CEO of First Ogden Corp., Naperville.

First Security Bank has been capitalized at \$3 million, of which \$1.2 million is in capital stock, \$1.2 million in surplus and with a reserve of \$600,000. The bank will have 240,000 shares of stock outstanding with a par value of \$5 per share.

In addition to Mr. Hoesch, First Security Bank's other officers will include James Polivka as chairman. He is president, Willoway Enterprises, Inc., Naperville. John W. Baschen has been named First Security Bank's vice chairman.

A November 15 opening has been scheduled for the new bank.

Indiana

■ **IRWIN UNION BANK**, Columbus, has named Michael F. Ryan vice president and trust investment officer; James R. Barker, systems officer, trust department; and Thomas Washburn, accounting officer, finance and control division.

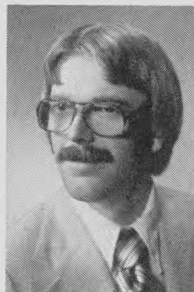
■ **ERNESTINE M. CARMICHAEL** has been elected chairman of FBT Bancorp., Inc., parent HC for First Bank, both of South Bend. She succeeds her husband, O. C. Carmichael Jr., who died August 3. Mrs. Carmichael also has been named bank vice chairman. Joseph D. Barnett, HC vice chairman, has assumed additional responsibilities as executive committee chairman of the bank and the HC.

■ **MERRILL E. MATLOCK** has been named assistant vice president at the 16th Street Banking Center of Ameri-

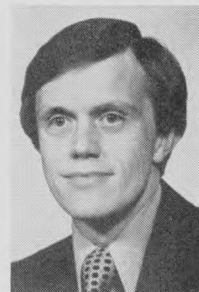
can Fletcher National, Indianapolis. Named managers were Michael T. Price, Children's Museum, and Cheryl D. Shelton, Riley Center.

Kansas

■ **CHARLES Q. CHANDLER IV** has become the fourth generation of his family to be associated with First National, Wichita. He holds a degree in business administration from Kansas State University, Manhattan, and a Masters of Management degree in finance from Northwestern University, Evanston, Ill.



CHANDLER



SCHMITT

■ **THOMAS L. SCHMITT** has been appointed a sales engineer with LeFebure Corp., which is headquartered in Cedar Rapids, Ia. Mr. Schmitt will operate out of the firm's Kansas City Branch and will concentrate on the eastern Kansas market.

■ **MICHAEL G. GLASS**, formerly president, Wichita State, has joined Bank Administration Institute as vice president in charge of community bank relations. The BAI is headquartered in Park Ridge, Ill. Succeeding Mr. Glass



GLASS

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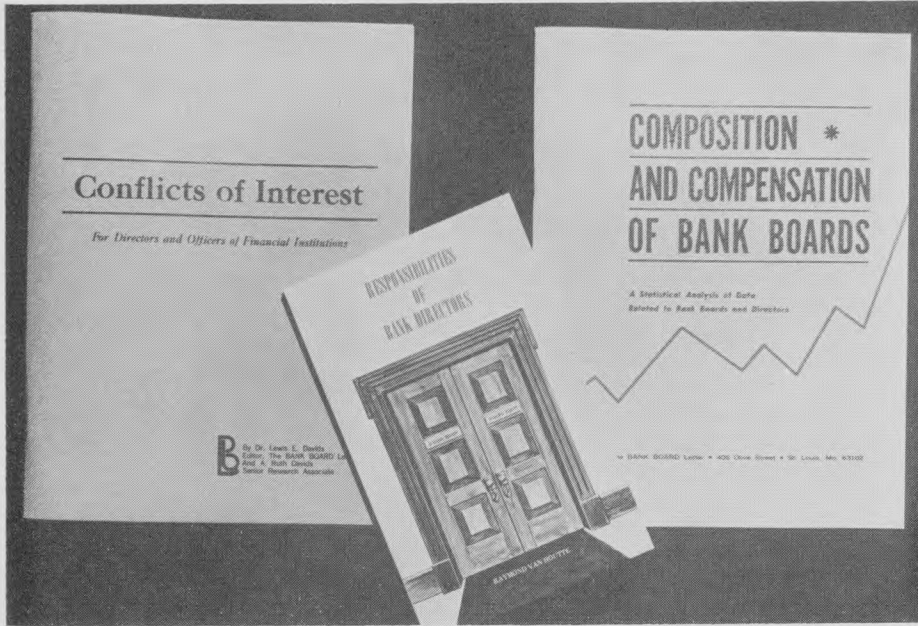


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what is expected of them and the bank they serve in terms of responsibilities to depositors, shareholders and the public. *Responsibilities* examines recent court decisions, investment return, continuity of management, long-range planning, effects of structural changes—HCs, branching, mergers—on competition, and more.

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author, Dr. Lewis E. Davids, editor of *The BANK BOARD Letter*. This book will give the reader an insight into the variety of occupations represented on bank boards; the number of inside and outside directors; frequencies of meetings; salaries paid. Also included are many tables, showing retirement ages for directors, per-meeting and annual fees, highest paid directors, etc. Designed to help you make comparisons and put your board structure and fees in proper perspective.

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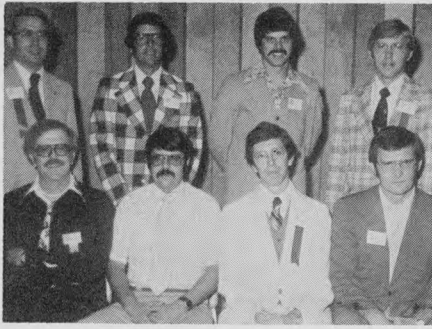
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YBOK Leadership Announced



The newly chosen leaders of the Young Bank Officers of Kansas gather for a group photo during the YBOK convention in Manhattan September 11: (Seated, from l.) Roger Batson, v.p., Kansas State, Manhattan—dir.; Max Mountford, v.p., Farmers State, Winona—dir.; Murray Lull, v.p., Smith County State, Smith Center—sec.; and Joe Stout, v.p., Fourth Nat'l, Wichita—treas. Standing from l. are Ray Makalous, v.p., First Nat'l, Topeka—pres.-elect; Dale Bradley, e.v.p. & cash., Citizens State, Miltonvale—outgoing pres.; Darryl Luedke, a.c., State Bank, Atwood—dir.; and Terry Odle, v.p., First Nat'l, Salina—pres. Not shown are Don Brening, pres. & CEO, Home State, La-Crosse, and Robert N. McDowell, corr. off., Security Nat'l, Kansas City—both directors.

as Wichita State president is M. D. Michaelis, who formerly was executive vice president, United American State, Wichita. In his newly created post, Mr. Glass will have responsibility for continuing evaluation of BAI membership in the community bank sector. He entered banking in 1963 at Southwest National, Wichita, and is a past chairman of the KBA banking education commission and a past president of the Young Bank Officers of Kansas.

■ SCOTT A. WOODS, senior vice president, commercial loans and marketing, Hutchinson National, has been elected a bank director.

Henry Blanchard Dies

Henry G. Blanchard, 71, former officer of Commercial Nat'l, Kansas City, died in his sleep September 11. Retiring from the bank only last spring, Mr. Blanchard had been with Commercial Nat'l since 1947. He headed the correspondent bank department until 1953, when he became e.v.p.

He advanced to pres. in 1961 and, in 1970, to chairman, the post he held when he retired. He had served as v.ch. since last February. Mr. Blanchard was pres., Kansas Bankers Association, in 1973-74. His son, Robert H. Blanchard, is v.p., First Nat'l, Chicago.



Kentucky

■ TERRY WELBY TYLER has joined Citizens Fidelity Bank, Louisville, as investment marketing officer in the financial planning department. He formerly was with First National, Memphis, and will solicit new business in the employee benefits area, personal trust and agency accounts. In addition, the bank has named two new directors: Richard Van Horne, president and CEO, Anaconda Co., aluminum division, and Warner L. Jones Jr., owner of Hermitage Farm.

■ WILSON & MUIR BANK & TRUST CO. is the new name of Wilson & Muir, Inc., Bardstown. In addition, capital of the bank has been increased from \$800,000 to \$1 million through a one-for-four stock dividend.

■ FRANK D. HACKATHORN has been named executive vice president of First National, Georgetown, succeeding Robert Braden, who has resigned. Mr. Hackathorn formerly was executive vice president, corporate secretary and director of Bank Management Associates, Inc., Lexington.

Banker Cited in Bond Drive



Joseph W. Phelps (r.), pres., Liberty Nat'l, Louisville, receives a pewter statuette from Jack Metrie, state dir., U. S. Treasury Dept.'s Savings Bond Division. The statuette, which is based on Archibald Willard's painting, "The Spirit of '76," was awarded to Mr. Phelps for the part he played as ch. of the "Take Stock in America" savings bond campaign in the greater Louisville area.

Louisiana

■ E. A. COURTNEY has been elected chairman, First Guaranty Bank, Amite, succeeding F. E. Patenotte Sr., who has retired. In addition, William T. McKneely has been elected a director to fill the vacancy left by Mr. Patenotte's retirement. Mr. Courtney has served the board since 1956 and is president, Gas Gathering Corp. Mr. McKneely is president, McKneely Funeral Home.

■ HIBERNIA NATIONAL, New Orleans, has named David E. Brown, data processing, and A. J. Krail, corporate division, assistant vice presidents. Sandra S. Strough, branch administration, has been elected commercial officer, while Joe W. Landry, data processing, has advanced to systems officer.

Mississippi

■ THOMAS G. BARKSDALE, president and CEO, Merchants National, Vicksburg, has assumed additional responsibilities as chairman. M. E. Ward, the former chairman, continues as director and executive committee member. Mr. Barksdale has held the post of president since 1973.

■ JUNE G. McMULLAN has been promoted to senior vice president at Bank of Lucedale and R. C. Cook, owner of Cook Oil Co., has been named a director. Mrs. McMullan has been with the bank since 1956 and oversees general banking operations, loans and advertising-public relations.

■ BILL DALY has been named vice president and manager of the Southhaven Branch of Coahoma Bank, Clarksdale.

■ CHARLES H. PETKOVSEK JR. has been elected president, Britton & Koontz First National, Natchez, while Clarence N. Young has been named executive committee chairman.

■ CARLETON FREEMAN, vice chairman, Peoples Bank of Mississippi, Union, has assumed additional responsibilities as executive committee chairman. In addition, Austin James has been appointed vice chairman and CEO.

■ BANK OF SARDIS has celebrated its 100th anniversary with an open house and a celebration meal for employees and spouses. Area residents were invited to the open house and to guess the number of coins in a jar, with the winner receiving the jar and its contents. In addition, anyone depositing to a pass book savings account was able to register for a matching deposit up to \$500 or a minimum matching deposit of \$100.

Died: Jack D. Hill, 41, president, First Natchez Bank, after a lengthy illness. He entered banking by working part-time during his college years and joined Southern National, Hattiesburg, in 1966. Mr. Hill advanced to senior vice president there. He joined First Natchez Bank as president at its 1973 opening.

Mississippi is Oil Country



Bill Powell (left), Vice President and head of Deposit Guaranty's Petroleum Department, and Paul Tsimortos, petroleum engineer

Mississippi ranks among the **top ten** oil producing states in the nation, and is moving up everyday!

Deposit Guaranty - Mississippi's largest bank - is known as the **Oil Bank of Mississippi**. Why? Because, oilmen of

the South, as well as the rest of the U.S., know experience, information and support is available through Deposit Guaranty's Petroleum Department. If you have a customer in need of assistance in this area, contact our oilmen/bankers - **Bill Powell** or **Paul Tsimortos**. (601) 354-8229.



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Monticello; Newhebron Bank, Newhebron, and offices in
Clinton and Pearl.

Missouri

Consumer Finance Conf. Planned Nov. 17-18

COLUMBIA—The Ramada Inn will be the site of the 21st annual Consumer Finance Conference of the Missouri Bankers Association. Dates for the event will be November 17-18.

During the opening session November 17, MBA President Charles K. Richmond, executive vice president, American National, St. Joseph, will address his remarks to those in attendance. He will be followed by guest speakers who will discuss "Who's Going to Protect the Bankers?," the "Economic Forecast," and "Federal Legislation and Regulation."



Serving as ch. of MBA Consumer Finance Conference is Norman T. Williams, reg. v.p., Commerce Bancshares, Inc., Kansas City.

After the noon luncheon Wednesday, the special interest sessions will begin. They will be repeated and will cover bankruptcy, "Profitability in Dealer Financing—Direct and Indirect" and "How Good Is Your Customer?" Optional will be a "Rap Session on Student Loans, Insurance Premiums, Airplane Financing, Etc."

The after-dinner speaker scheduled for that evening will be Joe Griffith, humorist and raconteur from Dallas, who will explain why "It's What's Up Front That Counts."

Workshops on Thursday morning—which will be repeated—will cover Regulation "B" and the Holder-in-Due-Course Law. Rounding out the conference program will be a panel discussion of the "Legal Aspects of Lending."

Golden-Anniversary Observance Planned by St. Johns Bank September 6 to October 16

ST. JOHN—St. Johns Bank will hold a public open house October 16 in honor of its 50th anniversary. The observance will include refreshments, exhibits and gifts. The anniversary celebration began officially September 6, with registration for prizes and a series of newspaper ads and lobby posters highlighting the community's past and the bank's growth.

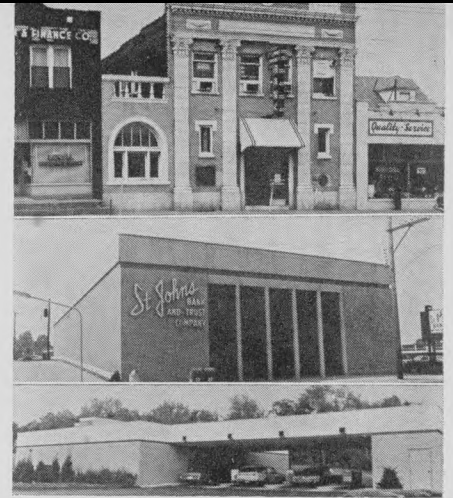
Current president of the bank, Sylvester F. Witte, joined it in 1927 as a 17-year-old clerk who swept out the bank and kept the potbelly stove burning in addition to regular clerical duties. He advanced through several posts before becoming president in 1960.

The bank opened as St. Johns Community Bank October 2, 1926, in a St. Louis suburban area then known as St. Johns Station, which was incorporated in 1964 as the village of St. John.

The bank has survived the bank holiday of 1933 (it was one of the first five banks permitted to reopen in St. Louis County) and a spectacular fire that did \$65,000 worth of damage to its building during a modernization program in November, 1963. Alert employees saved bank records, documents and funds and, by working all night, were able to reopen the bank for business the following day. The original bank quarters were in a small storefront building, but a new brick structure was erected three years later. Early in 1964,



WITTE



TOP: St. Johns Bank building (structure with awning over entrance) looked like this in 1948. Quarters were erected in 1929, three years after bank opened in small storefront building. CENTER: Present home was built in 1964 on foundation of old building. BOTTOM: Mini-bank, located about 2½ miles from main bank, has drive-up, walk-up facilities and lobby.

it was updated and refurbished inside and out, but the same foundation that was laid in the late 1920s for the bank's first permanent building stands beneath the modernized quarters.

The bank changed its name in 1974 from its original form, St. Johns Community Bank, to St. Johns Bank & Trust Co. It also opened a mini-bank, which is located about 2½ miles away and has a lobby and drive-up and walk-up facilities for checking, safe deposit box and night depository services.

Walter C. Braneky, executive vice president and a director, is a second-generation member of the bank's staff. His father, Walter H. Braneky, was a founder of the bank and its president 21 years and a director 31 years, serving as chairman for five of the 31 years. Another early director, Harold R. Lundius, has been succeeded on the board by his son, Earl R. Lundius, who also is a vice president of the bank.

■ WILLIAM E. O'BRIEN has joined Civic Plaza National, Kansas City, as executive vice president and CEO. He formerly was vice president and director, Home Savings, Kansas City.

■ JACK MILLER has joined Exchange Bank of Richmond as cashier, succeeding Floyd L. Andersen, who has resigned. Mr. Miller formerly was a senior staff analyst with the Kansas City Fed.

Died: Robert E. Dannenberg, 55, president, Rolla State, of cancer, August 22. Mr. Dannenberg joined Rolla State in 1973 as executive vice president, advancing to president in 1975. Prior to that, he had been vice president, agricultural division, Toy National, Sioux City, Ia.

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Charter Bank of Overland Completes Remodeling



This ribbon-cutting ceremony officially opened Charter Bank of Overland's remodeled Main Office. The ceremony was followed by a four-day celebration. Among those pictured are: A. R. Nauenheim (l.), pres. of bank; Overland Chief of Police Raymond Poeschel (2nd from l.); Ray L. Ruby (3rd from l., but partially hidden in background), pres., Charter Bank of Jennings; Aldermen Hap Weseman and Joe Gerrein (4th and 5th from l., respectively); Webe H. Nauenheim (6th from l.), ch. of the bank; Alderman Jesse Weaver (7th from l.); Overland Mayor Norman Myers (cutting ribbon); Aldermen Bob Bartram and Frank Munsch (9th and 10th from l., respectively); Norville R. Gish (2nd from r.), s.v.p., First Nat'l Charter Corp., Kansas City, bank HC to which Overland and Jennings banks belong; and Gordon Wells (r.), v. ch., pres. & CEO, First Nat'l, Kansas City, HC's lead bank. A. R. "Bo" Nauenheim and Webe H. Nauenheim are brothers.

■ **MERCANTILE TRUST**, St. Louis, has announced a number of changes: Eugene E. Fincke, senior vice president and senior loan officer, has retired after 47 years. He has joined Beckers & Meyer, Inc., St. Louis financial consulting firm, as executive vice president. Mercantile Trust has realigned its banking department into the regional, national



WEHRMANN



FINCKE



ELFRANK



BRENNAN

and international and personal departments. Heading the regional banking department is Donald B. Wehrmann, senior vice president, while Patrick J. Brennan, senior vice president, heads the national and international banking department. Charles A. Elfrank, senior vice president, has been appointed head of the personal banking department.

MID-CONTINENT BANKER for October, 1976



COURRIER

■ **J. BENJAMIN COURRIER JR.**, assistant vice president, regional banking, First National, St. Louis, has been elected vice president-administration of Chesterfield Bank. Both banks are affiliates of First Union Bancorp., St. Louis. Mr. Courrier entered banking at First National in 1956. In 1973, he was named a commercial banking officer in regional banking and, in 1974, was elected assistant vice president.

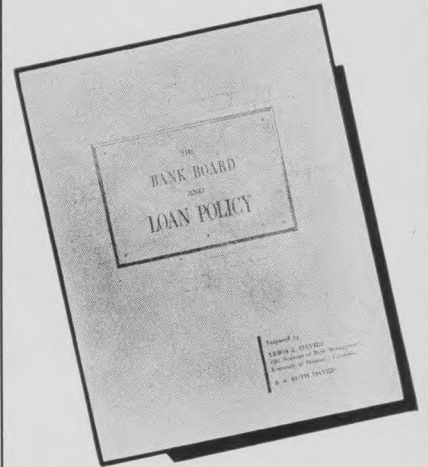


SMITH

■ **JAMES A. SMITH**, formerly senior vice president, Mercantile Trust, St. Louis, has joined Manufacturers Bank, St. Louis, as executive vice president. Mr. Smith headed Mercantile's central group, which is responsible for bank and corporate business in the Midwest and South. He had been with the bank since 1954.

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The BANK BOARD Letter

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New Mexico

■ **GROUND** has been broken for a downtown drive-up facility of Farmers & Merchants Bank, Las Cruces. The facility is the first phase of the bank's expansion and relocation. The drive-up will have four lanes, and will feature facilities by Diebold. A late October opening is scheduled.

■ **PHILLOP E. "GENE" BENTON** has joined Farmington National as cashier. He formerly was with Permian Bank, Odessa, Tex.

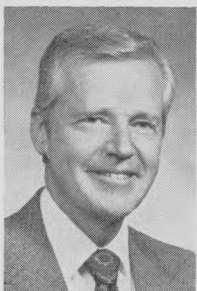
■ **JOHNNY A. TAYLOR** has resigned as president of First State of Sierra County, Truth or Consequences, following the bank's sale to Stephen Adams, president, Associated Bankers Corp., Minneapolis. At press time, Travis Waller, bank director and former president, said he also would resign at a future date. Mr. Taylor is a former state banking commissioner.

■ **THOMAS W. BOND** has joined First National, Farmington, as vice president. He formerly was vice president and assistant trust officer, First National, McAlester, Okla., and succeeds Joe Mangum in his new post.

■ **J. ALAN HUNTON** has joined First National of Lea County, Hobbs, as assistant vice president and operations officer. He formerly was an assistant national bank examiner.

■ **J. P. BRANDENBURG** has retired as director, First National, Santa Fe, and continues as chairman of the parent HC, New Mexico Bancorp., Inc., also of Santa Fe, and as chairman and CEO of another affiliate, First State, Taos. Replacing Mr. Brandenburg on the First National board is Roy B. Thompson, chairman, Territorial Abstract & Title Co.

■ **WILLIAM C. WHITE**, president, Santa Fe National, has assumed additional responsibilities as CEO, succeeding William H. Vernon. Mr. Vernon will continue as chairman until his retirement at the end of the month, when the title of chairman will be discontinued. Those responsibilities then will



WHITE

be carried out by the president. Mr. White joined the bank in 1958 as vice president and cashier; Mr. Vernon, in 1955 as executive vice president.

Oklahoma

■ **BANK OF OKLAHOMA**, Tulsa, has announced the following promotions: William L. Pritchett, to marketing officer; David Goodman and John Walstad, to commercial banking officers; James A. Tappan and Philip Burns, to investment officers; J. Michael George, to assistant trust officer, corporate and real estate section; and Silas J. Burnham, to operations officer. In addition, Richard C. Hedges has been named assistant vice president, personal banking, while Ed F. Clark has been elected personal banking officer.



FREEMAN

■ **JAMES H. FREEMAN**, manager of the systems planning and development unit, support division, Fidelity Bank, Oklahoma City, has been elected vice president.

Regulatory Threat a Major Topic Of IBAO Meeting Oct. 21-22

OKLAHOMA CITY—The regulatory and congressional threat of nationalization of banks will be a major topic when the Independent Bankers Association of Oklahoma meets October 21-22. Site for the event will be the Skirvin Plaza Hotel.

Keynoters Senator Henry Bellmon and Congressman Tom Steed will discuss that topic and also will represent their respective political parties and give a presidential election campaign update on Friday, October 22.

Prior to the featured speakers will be a panel discussion in which a number of experts will give "An Overview of Banking Legislation on the Federal Level and Regulations and Problems of Regulatory Agencies With Emphasis on Problems Relating to Smaller Banks."

Moderator for the panel will be K. T. Hoyle, director of legislative studies and research for the IBAO in Washington, D. C. Other panelists will be Michael Doman, regional adminis-

trator of national banks for the Comptroller of the Currency; Quinton Thompson, regional administrator of national banks, FDIC; Harry E. Leonard, Oklahoma state banking commissioner; and John F. Zoellner, vice president, Kansas City Fed.

Also on hand to address the convention will be Charles O. Maddox Jr., president, Independent Bankers Association of America, and president, Peoples Bank, Winder, Ga.

A complete spouses' program was in the planning stages at press time. A social program and election of officers are on the agenda.

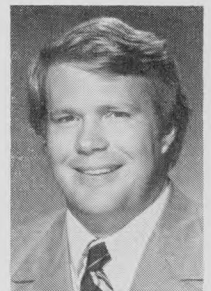
Heading the convention program committee is Royce G. Wilmoth, president, Exchange National, Moore.

Tennessee

■ **PEMBERTON COOLEY JR.** has joined American National, Chattanooga, as vice president. Mr. Cooley, who twice has served as president, Tennessee Association of Finance Companies, formerly was with the Auto Credit Co. and Hamilton Investment Corp.



COOLEY



GRAHAM

■ **THOMAS H. GRAHAM** has been named vice president and director of personnel at First American National, Nashville. Barbara W. Brake has been appointed director of public relations, replacing Bill Boner, who resigned to enter his successful race for state senator. Daniel J. Rozelle has been elected director of marketing research and product development, a newly created post. In other news at First American National, William A. Blair, Edwin W. Moats, Gary O. Sharp, Thomas H. Webber III and Nancy O. Zoretic have advanced to assistant vice presidents and Jack N. Curtis, president and division chief executive, Cain-Sloan Co., has been elected a bank director. At the bank's parent HC, First Am Tenn Corp., Nashville, Mary R. Franks has been named assistant treasurer.

■ **JOSH C. COX JR.** has been elected executive vice president and A. Douglas Krell has been named senior vice president of Commercial & Industrial Bank, Memphis. Mr. Cox, who former-



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COX



KRELL

ly was coordinator of branch activities for Union Planter's National, Memphis, assumes a wide range of responsibilities in his new post. Mr. Krell will serve as C&I Bank's senior real estate loan officer and has an extensive background in that field.

■ DON H. HIX has advanced from vice president to senior vice president at Third National, Nashville. He heads operations and is president and director of the Tennessee Automated Clearing House Association.

Texas

■ MICHAEL R. DOYLE has been named senior vice president at Capital National, Austin, following his promotion earlier this year to correspondent and regional banking department head. James C. Doss has been named assistant controller, retaining the title of vice president.

■ BANK OF THE SOUTHWEST, Houston, has announced the following promotions: James S. Fox, correspondent banking department, and Sam S. Anzelmo, office services department manager, to vice presidents; James R. Young, personal trust department, to vice president and trust officer; David M. Johnson, methods department, and Erik C. Jensen, metropolitan depart-

ment, to assistant vice presidents; and Jay A. Dudley, correspondent banking, to loan officer.

■ DAVID TAPP, formerly chairman and president, First National, Bonham, has been named vice president at Fort Worth National. He had joined the bank earlier as a senior commercial loan officer.



TAPP

■ CULLEN CENTER BANK, Houston, has named Randy Peacock and Gary M. Olander assistant cashiers.

■ JAMES D. BERRY, president, Republic of Texas Corp., Dallas, has been elected president, Texas Association of Bank Holding Companies. In that post, he succeeds Nat S. Rogers, president, First City Bancorp. of Texas, Inc., Houston. Other newly elected officers of the association are: Hubert Gentry Jr., president, Southwest Bancshares, Inc., Houston—vice president; Derrell Henry, chairman and CEO, American Bank, Odessa, and a member of Texas Commerce Bancshares, Inc., Houston—secretary; and P. K. Stubblefield, president, Victoria Bankshares—treasurer.

■ WILLIAM R. CARDEN has been named vice president, First National, McAllen. Prior to joining First National, he owned a wholesale import firm in Dallas and has had a number of financial articles and reviews published.



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■ REPUBLIC of Texas Corp., Dallas, has been listed on the New York Stock Exchange. Its symbol is RPT. In other news, an acquisition agreement has been reached between the HC and First National, Garland.

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