

# MID-CONTINENT BANKER

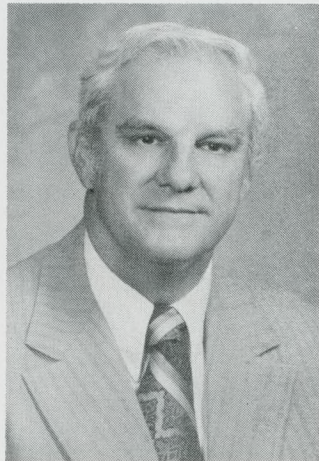
*The Financial Magazine of the Mississippi Valley & Southwest*

Convention Issue

MAY 15, 1978



**John R. Montgomery III**  
President  
Illinois BA  
Page 51



**Ray K. Smith**  
President  
Mississippi BA  
Page 67



**Tom G. Voss**  
President  
Indiana BA  
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**Charles Joplin**  
President  
New Mexico BA  
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## **NOW Accounts: Lessons for Tomorrow**

(See Page 25)


## **Farm Strike: Its Effect on the Ag Economy**

(See Page 27)

# What Makes Liberty Different?

Liberty People . . . and  
Liberty People Mean Business.  
Let's visit about the banking business at the  
OBA Convention, Sheraton Century Hotel,  
May 16, 17, Oklahoma City.



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THE BANK OF MID-AMERICA

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

MID-CONTINENT BANKER is published 13 times annually (two issues in May) at 408 Olive, St. Louis, Mo. 63102. May 15, Vol. 74, No. 6.  
Second-Class postage paid at Fulton, Mo. Subscription: \$11.

# LET THE OTHERS TALK TENNIS, GOLF AND HORSE RACES. HARLAND PREFERS PERFORMING FOR YOU.

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*H. O. Peet, Jane Hylton, Jim McKenzie, B. J. Hall and Murphy Brock.*

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*Jim McKenzie and Jane Hylton, Executive Vice President, Delta Natural Gas, discuss the projected needs that LNB can provide Delta's expanding operations.*



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Louisville, Kentucky

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# Our idea of correspondent banking:

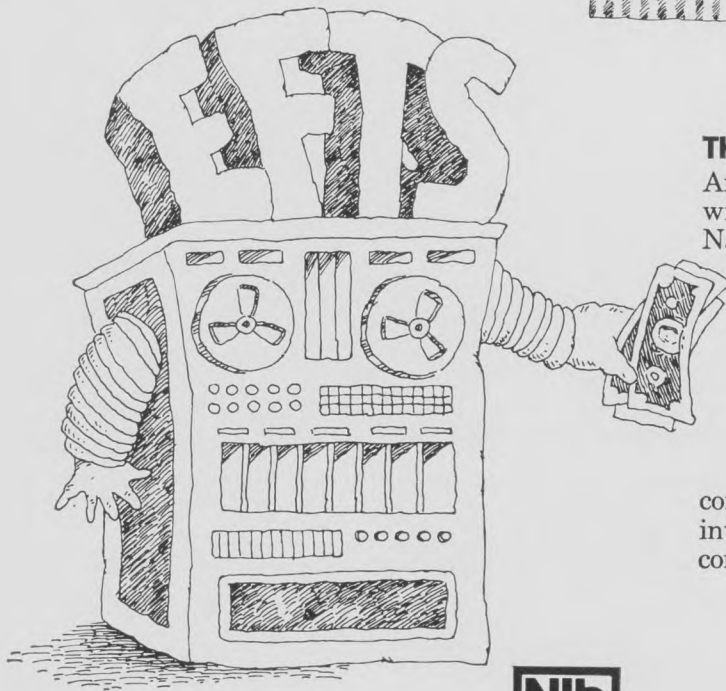


## THE COMMITTEE OF ONE.

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

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**OF CHICAGO**

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# MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Volume 74, No. 6

May 15, 1978

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## Convention Calendar

- May 13-17: Arkansas Bankers Association Annual Convention, Hot Springs, Arlington Hotel.
- May 14-16: Missouri Bankers Association Annual Convention, St. Louis, Sheraton-St. Louis Hotel.
- May 14-16: Tennessee Bankers Association Annual Convention, Memphis, Holiday Inn-Rivermont.
- May 14-19: ABA National Personnel School, Atlanta, Marriott Hotel.
- May 14-19: Louisiana Banking School for Supervisory Training, Baton Rouge, Louisiana State University.
- May 15-19: Bank Administration Institute EDP Auditing Introduction Short Course (\$25 million+), College Park, Md., University of Maryland.
- May 16-17: Oklahoma Bankers Association Annual Convention, Oklahoma City, Sheraton Century Center.
- May 16-19: Bank Administration Institute Operations Management in Community Banks Short Course, Athens, Ga., University of Georgia.
- May 16-19: Bank Administration Institute Estate Taxation Short Course, Park Ridge, Ill.
- May 17-18: Bank Administration Institute Bank Security Planning Clinic, Atlanta.
- May 18-20: National Association of Bank Women Rocky Mountain/Western Regional Conference, Los Angeles, Century Plaza Hotel.
- May 20-24: Mississippi Bankers Association Annual Convention, Biloxi, Broadwater Beach and Biloxi Hilton hotels.
- May 21-23: ABA Consumer Compliance Examination Workshop, Washington, D. C., Dulles Marriott.
- May 21-24: ABA National Operations and Automation Conference, Atlanta, Peachtree Plaza Hotel.
- May 21-24: ABA National Marketing Conference, Anaheim, Calif., Disneyland Hotel.
- May 21-27: Independent Bankers Association of America Senior Bank Officer Seminar, Boston, Harvard Business School.
- May 24-25: Bank Administration Institute Bank Investigations Seminar, New York City.
- May 26-31: American Institute of Banking Annual Convention, Chicago, Palmer House.
- May 28-June 2: Bank Marketing Association School of Trust Business Development and Marketing, Boulder, Colo., University of Colorado.
- May 28-June 2: Bank Marketing Association Essentials of Bank Marketing Course, Boulder, Colo., University of Colorado.
- May 28-June 9: Bank Marketing Association School of Bank Marketing, Boulder, Colo., University of Colorado.
- May 30-31: ABA Uniform Accounting Procedure Seminar, Dallas, Airport Marina Hotel.
- May 31-June 3: Bank Administration Institute City Conference, New Orleans, Hilton Hotel.
- June 4-6: Illinois Bankers Association Annual Convention, Peoria, Hilton Hotel.
- June 5-6: ABA Uniform Accounting Procedure Seminar, Chicago, Hyatt Regency O'Hare.
- June 6-8: Indiana Bankers Association Annual Convention, Indianapolis, Hyatt Regency Hotel.
- June 7-9: National Association of Bank Women Lake/Midwest/North Central Regional Conference, Sioux Falls, S. D., Downtown Holiday Inn.
- June 8-10: New Mexico Bankers Association Annual Convention, Albuquerque, Hilton Inn.
- June 11-23: ABA Stonier Graduate School of Banking, New Brunswick, N. J., Rutgers University.
- June 13-16: Bank Administration Institute Operations Management Core Course (under \$75mm), Norman, Okla., University of Oklahoma.
- June 21-23: Association of Bank Holding Companies Annual Meeting, Sun Valley, Ida.
- June 24-July 1: ABA Essentials of Banking School, Durham, N. C., Duke University.
- June 26-30: Bank Administration Institute Labor Relations Seminar, Park Ridge, Ill.
- June 26-30: Bank Administration Institute Bank Auditing Core Course (over \$75mm), Evanston, Ill., Northwestern University.
- July 9-12: ABA I&PD Risk and Insurance Management in Banking Seminar, Springfield, Mass., Springfield Marriott.
- July 10: ABA Certified Commercial Lender Examination, Norman, Okla.

## Editors

- Ralph B. Cox** Publisher
- Lawrence W. Colbert** Assistant to the Publisher
- Rosemary McKelvey** Editor
- Jim Fabian** Associate Editor

## Advertising Offices

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MID-CONTINENT BANKER (publication No. 346 360) is published 13 times annually (two issues in May) by Commerce Publishing Co. at 1201-05 Bluff, Fulton, Mo. 65251. Editorial, executive and business offices, 408 Olive, St. Louis, Mo. 63102. Printed by The Ovid Bell Press, Inc., Fulton, Mo. Second-class postage paid at Fulton, Mo.

Subscription rates: Three years \$24; two years \$18; one year \$11. Single copies, \$1.50 each. Foreign subscriptions, 50% additional.

Commerce Publications: American Agent & Broker, Club-Management, Decor, Life Insurance Selling, Mid-Continent Banker, Mid-Western Banker and The Bank Board Letter.

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MID-CONTINENT BANKER for May 15, 1978

# Selling/Marketing

## First of Dallas' New Marketing Campaign Focuses on Needs of Corporate Clients

**T**HE NEEDS of the customer rather than the bank is the new marketing focus at First National, Dallas, according to Richard Hart, the bank's president.

A second aspect of the campaign is aimed at establishing awareness of the bank as the "results bank" for results-oriented people in the bank's trade area.

Every print ad or commercial included in the campaign uses as an example one of the many different industries served by the bank. Ad copy focuses directly on the concerns of the top people in the industries. The idea, Mr. Hart says, is to elicit the response "I want to do business with these people. They think like I do."

Ads conclude with this statement: "At First National Bank in Dallas, when we do business with any business, we give you just what you expect of yourself—results. Results: The real measure of a bank."

The bank is running 30-second commercials on TV news, sports, special and prime-time shows. Radio is utilized during drive time and print ads are appearing in sports sections in the city's two dailies. The campaign also uses outdoor boards.

To ensure the authenticity of the advertising messages, chief executives of corporations doing business with the



Scene from First Nat'l, Dallas, TV commercial stressing needs of corporate customers. This commercial deals with needs of apparel manufacturers. Second focus of campaign is results customers get when dealing with bank.

bank were interviewed to find out their real concerns, Mr. Hart said.

He added that research is an important part of the advertising. "The campaign was over a year in preparation. Our advertising in 1977 was minimal. We used this time to discuss the appropriate First in Dallas image with managers of each of the bank's divisions. The search for a singular theme that really got at what we'd come to call the 'soul' of the bank ended with the word 'results.' The bank's operational track record reflected it and bank executives felt it also reflected our philosophy of doing business and capabilities."

Since the bank was effectively absent from media advertising for a year, Mr. Hart felt it was important to give every bank employee an opportunity to preview the entire campaign. All 2,000 employees saw a presentation of the campaign, staged by the bank's advertising agency, Tracy-Locke Advertising.

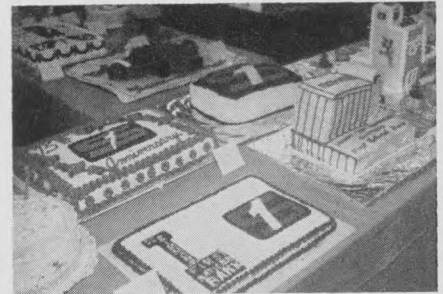
The first two years of the campaign have been planned, but it is expected to run much longer, according to Mr. Hart. • •

### Let's Cakewalk:

### Residents Create Cakes For Bank's Anniversary

Who could resist trying to win \$75? More than 100 home cake bakers couldn't! They responded to an invitation put out by Simmons First National, Pine Bluff, Ark., to help celebrate the bank's 75th anniversary by bringing cakes to the bank decorated with a 75th-anniversary theme.

Bakers were instructed to bring their



A few of cakes baked by residents of Pine Bluff, Ark., as part of 75th-anniversary celebration of Simmons First Nat'l. More than 100 cakes were entered in contest. Ten bakers took home \$75 prizes for their creations.

creations to the bank on a given morning. They were judged that afternoon and the top 10 bakers received \$75 each. The decorations were varied. Some cakes took the shape of the bank's 11-story building; others incorporated the bank's logo or its sign in icing.

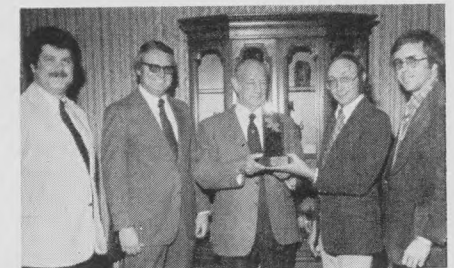
After the judging, the cakes were given away to customers and visitors at a cakewalk.

About 3,000 people thronged the bank on that day, which was just one of a week's worth of anniversary events. The bank served, not only the cakes, but punch and popcorn to those attending.

### Magazine Format Used:

### Unusual Annual Report Wins Award for Bank

An annual report that looks like a consumer magazine and put out by a \$150-million bank in Mississippi? Yes, Peoples Bank of Tupelo tied in its name with that of the popular weekly, *People*, and came up with a 1976 annual



W. L. Dunlap (c.), ch., Peoples Bank, Tupelo, Miss., holds National FAE Award given by Committee for Bank Advertising Excellence to bank for its unusual and informative annual report for 1976. At l. is Wallace McMillan, v.p./mkt. dir. of bank. Between him and Mr. Dunlap is bank's pres., Charles T. Causey. At r. are Harry Brown, chief copywriter, and Lewis Clark, creative dir., Maris, West & Baker, Inc., Jackson, Miss.-based ad. agency that prepared winning report.

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**AROUND MONEY THE FINEST IS "STEEL-STRONG"**



This is cover of 1976 annual report of Peoples Bank, Tupelo, Miss., which won nationwide award from Committee for Bank Advertising Excellence. Report was designed to duplicate format of "People" magazine.

report duplicating that publication's cover and format.

The report won the 1977 Financial Advertising Excellence award in nationwide competition with much larger banks and bank HCs. This award is the single highest award given for annual reports by the Committee for Bank Advertising Excellence.

The bank's annual report featured data in the form of magazine articles, with liberal use of photography to illustrate activities of the bank and of some of its officers during 1976. For instance, President Charles Causey is pictured at the bank and at home with his family. Chairman W. L. Dunlap is shown at leisure at a "cabin" he maintains on the shore of a lake and where he tries to live off the land.

The report also features articles on other officers and on various promotions sponsored by the bank. In addition, there are the traditional statements of condition and income, financial highlights, listing of officers and directors, etc.

The report was prepared by Maris, West & Baker, Inc., Jackson, Miss., working with Wallace McMillan, vice president/marketing director, Peoples Bank.

- ROBERT M. WILSON, senior vice president/real estate, Union National, Little Rock, and John S. Trombello have been elected to the bank's board. Mr. Trombello is president/CEO, First Beehive Holding Corp., a wholly owned affiliate of New York Bank for Savings.

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Security and Coupon Collection  
Payroll Accounting  
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Municipals  
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With Help of 'Officer Ugg':

## Poison-Prevention Drive Cosponsored by Bank

Thanks to a computer-generated program made possible through a grant from American National, Amarillo, Tex., the city's youngsters are much safer than formerly as far as swallowing poisonous substances is concerned.

The system—called Poisindex—is maintained at Northwest Texas Hospital, Amarillo. It provides rapid identification of dangerous drugs, commercial products and chemical compounds and poisonous plants and insects. The system consists of a series of 50 4x6-inch cards, which list the 2,000 different poison entries contained on microfiche film and projected on a desk-top projector. Each poison is indexed three ways: alphabetically, numerically and by all known names, including manufacturers' names, brand names, slang terms, generic titles and even some common misspellings. Also included on the microfiche cards are imprint codes of tablets and capsules, as well as color photos of poisonous plants and mushrooms.

Information and treatment procedures are updated quarterly by a panel of clinical toxicologists and other experts.

Poisindex is produced in affiliation with the Rocky Mountain Poison Center, Denver General Hospital and the University of Colorado Medical Center



This "Officer Ugg" symbol appears on stickers, which parents and their children are to affix to potentially dangerous products in households and thus, hopefully, prevent youngsters from being poisoned accidentally. Symbol is part of poison-prevention campaign cosponsored by American Nat'l, Amarillo, Tex.

## Community Involvement

and the National Center for Poison Information. The regional Poison Control Center is located in the Amarillo Emergency Receiving Center at Northwest Texas Hospital. The center provides 24-hour availability of doctors, nurses and facilities for treatment of poison cases.

American National, Panhandle Pharmaceutical Auxiliary and the hospital district implemented an area-wide campaign in March to make sure that the message of the danger of accidental poisoning, poison and drug respect and treatment of accidental poisoning and drug overdose reaches preschool children and their parents.

The campaign included distribution to parents of "Officer Ugg" stickers, a children's poison-prevention symbol, to be placed on potentially dangerous household products. "Officer Ugg" is a cartoon policeman with hands folded across the face in warning for children not to touch, taste or smell. The symbol was created by the Rocky Mountain Poison Center in Denver to be used as a visual device around which parents can build their own poison-prevention campaigns with their children. It's suggested that they have the youngsters affix the stickers to all potentially dangerous products in their homes.

In addition, the bank provided children and parents with a list of potentially harmful products common to most households, along with an "Officer Ugg" Poison Patrol booklet, which is designed to help parents teach their children about poisonous items.

### Introduction to Business:

## Workshop for Students Sponsored by Bank

Continental Bank, Chicago, has begun a program to introduce area community college students to needs and opportunities in the business world. Called Student Career Insights Program (SCIP), it features a three-day workshop and summer internships at the bank.

The workshop, held April 5-8, accommodated 44 students from 22 community colleges who are enrolled in accounting, secretarial and computer-science courses. One man and one woman from each school were selected by their faculties to participate in the workshop, held at Starved Rock Lodge, Utica, Ill. Each student received a \$100

stipend, and 10 will be selected for the summer internships.

SCIP workshops were conducted by professional and business leaders from the bank and Chicago-area businesses and universities. Topics included establishing career objectives, managing projects and people, enhancing communications skills and developing leadership potential. Role-playing sessions were held, with students' performances assessed by workshop leaders.

The 10 students who will attend the summer internships were chosen by workshop leaders and bank personnel during the April workshop. They were judged, in part, on the basis of written presentations telling why they want an internship and how it relates to their career goals and objectives.

Additionally, a faculty representative from each of the community colleges took part in a day-long workshop that focused on the transition between schools and business and examined closely what employees look for in students entering the job market.

"SCIP is designed to recognize outstanding Chicago-area community college students," says John V. Egan Jr., vice president and director of corporate communications at Continental, "and present them with a practical view of the business world."

Mr. Egan also points out that the students are exposed to a variety of business concepts and principles that, hopefully, will broaden their understanding of the business and work environment and also make them more valuable as potential employees of Chicago firms.

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For the fifth year, Commercial National, Peoria, Ill., has let its customers decide where a part of the bank's annual charitable donations should be allocated. As a result, about 140 different tri-county nonprofit organizations were named recipients of contributions.

The organizations, all involved in charitable, religious and educational work, received \$5 contributions each time their names were chosen by qualified depositors during the February recognition period.

Most frequently chosen was the Illinois Heart Association's Peoria County Heart Fund, which received a \$500 bonus contribution from the bank. Other top organizations were the American Cancer Society and St. Jude Midwest Affiliate. Nearly half the organizations named to receive gifts were Peoria-area churches and their related organizations.





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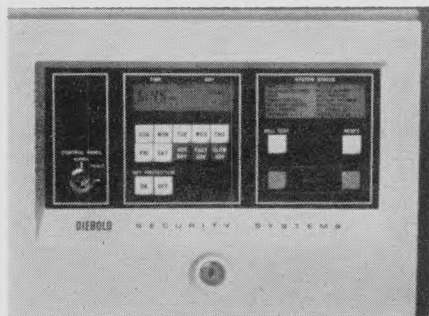
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- **Brandt, Inc.** A new "Countess Jr." for fast counting, endorsing and canceling of documents and currency has been introduced by Brandt, Inc. Called Model 815, the unit should win quick favor with banks where processing speeds of 750 items a minute are desirable, according to Brandt. The firm says that among its design and operating advances is a "doubles-detection" feature, which alerts the operator when



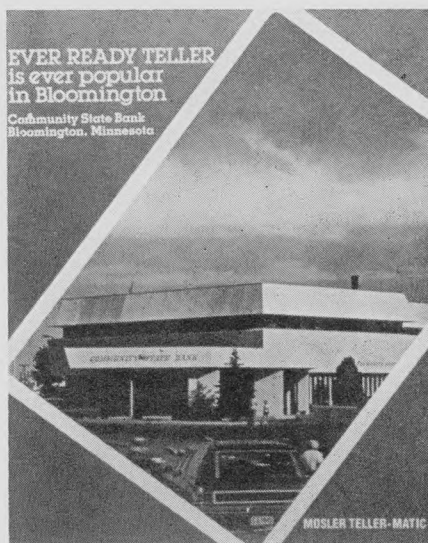
two or more documents have passed through as one. Other features, as described by Brandt, include a large digital display and a voltage-select wafer enabling the machine to operate on a choice of voltages. Brandt says the unit's one-button control lets the operator quickly set the machine for continuous counting or batch counting in quantities from one to 100. The 815 shuts off automatically when the job is done. Write: Brandt, Inc., Watertown, WI 53094.

- **Diebold, Inc.** A new vault-alarm system now is available from Diebold, which says it is designed to overcome many shortcomings of conventional systems. The new Diebold VP-800 reduces scheduling of protection on-off times to one of push-button simplicity, according to the manufacturer. For instance, to initiate around-the-clock protection, even during a midweek holiday, it's a matter of pushing the control button for Wednesday. The day or days for which 24-hour protection is scheduled are displayed in English on the control panel by means of a liquid-crystal display. Adjusting the seven-day digital timer also is a matter of pushing buttons. Diebold points out that the VP-800 has the capability to identify a tunnel attack on a vault. Within the auxiliary-



## New Products

control unit, located outside the vault, is a plug-in jack that permits listening inside the vault from the outside. Some optional features include ionization smoke detectors and provisions for plug-in police-alarm modules. Write: Diebold, Inc., Canton, OH 44711.



- **Mosler.** This firm has published a brochure on the ATM program at Community State, Bloomington, Minn. The bank has three Mosler Teller-Matics that run off the same controller and the capacity to expand its present system by three terminals. Among the brochure's highlights is an explanation of how Community State effectively solved the problem of its expensive free checking with new options, including its Every-Ready Teller System. For a free copy of the brochure, write: Mosler, Department PR-141, 1561 Grand Boulevard, Hamilton, OH 45012.

- **Time-O-Matic, Inc.** This firm has introduced its FlipOmatic time-and-temperature display and says it provides new freedom from light bulbs as well as fewer servicing problems and costs previously required in periodic relamping. According to Time-O-Matic, there are no incandescent bulbs, but, rather, solid-state electronics-control metal discs that are flipped to expose their fluorescent yellow or black surfaces. The firm goes on to say that a brilliant circle of reflected fluorescent light covers each disc's entire area, in-



stead of a glowing filament from a bulb. Further, says Time-O-Matic, sunlight poses no problem of fade-out, and nighttime readability is amplified by a single internal fluorescent tube. Write: Time-O-Matic, Inc., Box 850, Danville, IL 61832.

- **Robert Morris Associates.** A booklet on loan-review procedures now is available from Robert Morris Associates. RMA says it gives practical information on setting up a bank's commercial-loan-review procedures. The 36-page monograph shows how a bank can use loan review to help spot deteriorating credits before they become work-outs and losses. Contents include: management's role in loan review, staffing, loan *preview*, documentation review, what to review and how often, what to look for, loan rating and grading systems, profitability rating, preparing written reviews, review of weak credits and recommending corrective action. The monograph was written for RMA by P. Graham Conlin, vice president, Provident National, Philadelphia. Prices are \$5 each to RMA-member banks and \$7.50 each to nonmember banks. Write: Order Department, Robert Morris Associates, 1432 Philadelphia National Bank Building, Philadelphia, PA 19107.

- **Catalyst.** A booklet called "Have You Considered Banking?" has been published by Catalyst to help 1978 undergraduate women who want to enter banking. Catalyst is a national non-profit organization that helps women choose, launch and advance their careers. The booklet was specially prepared to help women who seek a banking career to bring their aspirations into focus, develop realistic career goals and launch an effective job campaign. It covers banking positions, education preparation and the employment outlook during the next decade. It also includes interviews with women who have achieved success in the field. The price: \$1.95 each. It's available in bookstores, or write: Catalyst, Box H-13, 14 East 60th Street, New York, NY 10022.

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## Former Bad-Check Artist Gives Tips On How to Spot Bad Checks, Bogus Bills

By FRANK W. ABAGNALE JR.

AS A FORMER bad-check artist, I can help banks and businesses spot bad checks and counterfeit bills.

I think they need this help because even in this age of modern data processing equipment and numerous safeguards, bank tellers still find themselves being "taken" when an expert con artist decides to prey on them.

However, there are ways that tellers can protect themselves from the check forger or counterfeiter. Education is the key to recognizing when a check or bill is good and when it's a phony.

When a check is presented, the first thing the teller should look for is whether the check is perforated. A real check will be perforated on at least one side; a phony check usually is smooth on all four sides. The only exception to this rule is the government-issued IBM card check, which usually has a bottom corner diagonally cut.

What if the counterfeiter decides to go to the trouble of perforating one side of a check? Is there another way

of telling whether the check is good? There is.

Look at the routing code at the bottom of the check. Most tellers, when using a computer to verify the amount of money in an account, are concerned only with the account number, but the routing number can be a sure sign of a phony check.

The reason is simple: Let's say a man walks into the Chase Manhattan Bank in New York City and wants to cash a check drawn on that bank for \$200. The teller will see immediately that the check is from the Chase Bank. However, the first two numbers of the routing code might be 12. This should be a tipoff that the check is a phony. Why? Because in New York, the first two numbers should be 02—no matter what bank a check is from. That number represents the Federal Reserve district in which the bank is located.

There are 12 districts in the country (Boston is 01, New York 02, Chicago 07, California 12, etc.) and lower numbers are found in the East, higher numbers in the West. A bad-check passer wants time to be in his favor;

so naturally, if the first number is 12, and he is cashing a check supposedly issued by the New York bank, he expects to gain at least a week, figuring that the check will be routed to California.

Of course, if the first two digits are 35 or 23, the teller should have no trouble determining that the check is bad, since the numbers can run only from 01 to 12.

Another way of detecting a bogus check is to hold it so that light reflects off it. No light reflects off the numbers at the bottom of a good check, because the numbers are printed in magnetic ink, which will not reflect light. A bad-check passer is not going to have his checks include magnetic ink for two reasons: (1) It's hard to obtain and (2) the check passer still wants to gain time. If the check gets past the teller, it will go through the day-end process of being cleared. And, as all bankers know, occasionally the magnetic ink on good checks doesn't pick up, so the check will be diverted to a person who punches out the number on a piece of paper, which is then attached to the check. The check is then sent on. If the check is routed to California, the forger gains even more time.

Another problem tellers have to watch out for is the fast-growing use of copied checks. These checks are made on the new color copying machines, now available in some airports, libraries, offices and many other public places. For a small charge, usually less than a dollar, one can take a perfectly good check and make an exact duplicate of it. And exact is what it is—even to the texture of the raised printing, if there is any. How then, to guard against these phony checks?

Obviously, the routing code can't be depended on as giving a clue, since the check will be an exact reproduction of a perfectly good check. That leaves looking for the perforation (usually machine-copied checks must be cut out, since a copying machine will reproduce only on 8x10- or 8x14-inch paper) and checking for the magnetic ink. Magnetic ink will copy like any other ink—and will have a sheen when held up to light.

Probably the best method of detecting a machine-copied check is to try to smear the colors with a finger. Regular ink will smear the same color; a copying machine color will smear a totally different color, since it's composed of chemicals combined to make the desired color.

A paper company is in the process of developing a check paper including a special chemical formula. Invisible to the naked eye is the word "void" on

(Continued on page 70)

### From Con Artist to Bankers' Friend

Frank W. Abagnale Jr., according to his own admission, once was one of the world's most-sought con men and fraudulent-check writer, but now is considered an authority on white-collar crime. At 29, he heads his own firm in Houston.

Between the ages of 16-21, Mr. Abagnale cashed more than \$2.5 million in bogus checks in some 26 foreign countries and all 50 states, while successfully posing as an airline pilot, doctor, lawyer, college instructor or some other professional person. He served six months in a French prison, six months in a Swedish prison and nearly four years in a U. S. federal prison before being paroled in 1974. Before being finally imprisoned by U. S. authorities, Mr. Abagnale escaped from custody three times.

He now is retained by banks, department stores, hotels, airlines and other vulnerable big-business entities to lecture and conduct seminars on methods to prevent white-collar crime. He also lectures on criminology at both Rice University, Houston, and the University of Houston and is an instructor on staffs of seven police academies.

Mr. Abagnale instructs on check forgery, counterfeiting, bogus documents, credit-card abuse, hot checks, internal fraud, short-change artists, all crimes he once was so expert in carrying out. However, these days, he tells how to expose such frauds and prevent such crimes.



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# The NOW Account:

## Lessons for Tomorrow

*Editor's note: In the May 1 issue, Mr. Furash discussed the lessons bankers have learned from the NOW account experiment in New England. The following concluding portion of the article deals with the application of these lessons to the situation that will arise when NOWs appear in an electronic banking environment.*

**I**F PRICING is the key to surviving the NOW account today, then it will be even more so when NOWs—or interest-bearing transaction accounts—appear in an electronic banking environment.

The banker's incentive to push EFT is clear: hoped-for cost reduction; removal of geographic market barriers; perhaps even increased market share. We know what we want from EFT and try to bend the consumer to it.

The consumer's incentive to adopt electronic banking is not so clear. I don't think I need to recount for you the ample evidence available of the consumer's underwhelming enthusiasm for EFT. Even the most successful EFT systems are unprofitable as a result.

Most consumers have little to gain from the EFT systems in view today. Other than to gain a marginal improvement in access convenience—which is accompanied by severe psychological negatives of banking transactions in a nonbanking environment—why should consumers pay to give up the traditional service they like very much and switch to electronic banking? Why should they switch from credit card buying with its generous free money periods to debit card banking with its instant loss of float?

It is a primary marketing rule of thumb that to attract or gain control over a market, you must understand that market. Meredith Willson's classic musical, *The Music Man*, opens with the traveling salesman lamenting that the bewilderingly fast pace at



By **EDWARD E. FURASH**  
Senior Vice President  
Shawmut Corp.  
Boston

which society is changing has made it tougher than ever to make a sale and that to make a sale, "Ya gotta know the territory."

The play's hero, Professor Harold Hill, seems, to them at least, to continue to make his sales effortlessly. He arrives in River City, Ia., to vend his wares: a complete boy's band. And in the classic song, "Ya Got Trouble," he proceeds to demonstrate that he knows the territory well by selling his boy's band as an antidote to the hidden parental concern that their boys are spending too much time in "pool halls"—the work of the devil.

I'm sure you know the rest of the story. I've simplified it to make a point: Harold Hill makes his money from selling instruments, uniforms and phony music lessons. His customers are buying a boy's band that will bring them a cure for their real or imagined problems—better social order, culture, morality, good children and the spirit of the Fourth of July. He conquers his market by knowing and merchandising to its heart's desire. More bluntly, implicitly or explicitly, he's done his market research and knows the territory.

How many of you can say with such certainty that what you are selling as

EFT is what the customer is really buying? Charles Revson of Revlon fame is often quoted as having said: "What we make in the factory is cosmetics. What we sell in the store is *hope*."

What you manufacture in your bank is something called EFT. What is it that the consumer really wants to buy? Is it financial peace of mind? Freedom from worry? Hassle-free banking? Low cost? Not standing in line? Not being dehumanized by electronics and machines? All of these have a value for which we can charge a price.

We really don't know yet—and have done precious little research on—what the customer wants that we can deliver by EFT. And to get consumers to accept EFT delivery, we need to find a good value transaction.

Plainly and simply, I believe that the heart of such a value transaction requires an economic incentive for the customer. We could, for example, charge higher fees for paper versus electronic transactions. But given both banking's intense competition and its traditional inability to price effectively, such direct action is highly unlikely. Bankers are going to need a dynamic reason to change pricing to give consumers an incentive to adopt EFT.

And this is where the NOW account can be banking's best helper. It is the dynamic reason bankers need to change their pricing philosophy. NOWs give all banks a "once-in-a-lifetime" opportunity for a profitable swap with the consumer. The movement toward paying interest on transaction balances will force all bankers to reexamine the hallowed system of implicit prices and interest payment and move toward charging explicit prices and paying explicit interest.

*Put most simply, NOW accounts—or any form of explicit interest on transaction accounts—should be saved for a value swap with the consumer as an incentive to adopt electronic banking,*

cut down paper transactions and even to get them to perform more work on their own. We already have in EFT the technological systems needed to industrialize or "supermarketize" the delivery of banking services in order to cut costs. What we need is consumer acceptance—and there is no substitute for personal profit as an incentive.

Let me explore with you two scenarios that could bring this about. First, assume that NOW accounts are approved and introduced nationally. The ultimate result will be the move away from paying interest in kind in the

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## Congress and the total banking industry should look hard at tying payment of interest on transaction banking to electronic-based household accounts.

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form of free checking and heavily subsidized transaction services and toward paying interest in cash and charging explicit service prices. This will force bankers to impose full-cost and value pricing on the services they provide.

Frankly, despite such optimism, given the slow and painful pricing adjustment in New England, I have great doubts that this scenario will come about quickly. As I noted, pricing change *has* been happening in New England but *very* slowly. The Massachusetts mutual savings bankers have recently received a study by Ernst and Ernst that should help their members understand what commercial bankers already know too well: Transaction banking is expensive.

In our second scenario, let's assume that NOW accounts are sidetracked and that consumers get *de facto* interest-bearing transaction accounts via easy electronic access to existing savings accounts. If interest-bearing transaction accounts emerge via the EFT scenario rather than via extension of NOW accounts, the challenge will be to use such access to improve profitability through *pricing* and not merely through hopeful, evanescent cost reduction.

Don't be in a rush to give away the store. Stop and think before giving this marvelous consumer incentive away without getting anything in return. I need not document for you the banking industry's urgent need to restore profitability to consumer banking. And the way to do it will be to design EFT products to take advantage of explicit interest as a consumer incentive; to make a value transaction with the consumer that makes electronic banking

more profitable to him than paper-based banking.

Dig in now to set up explicit prices that can be traded off against explicit interest payment. Every new EFT product design should be subject to this test.

For example, consider designing products that swap cash interest for loss of float; products that pay layered interest by balance size or time maturity in return for higher service charges; and, even consider the unthinkable: Products that cost more the more you use them—by paying higher interest on low transaction accounts, higher charges for greater volume instead of current quantity discount or no-charge practices, or by charging for return of checks or paying higher interest on electronic bank accounts. You can conjure up as many possible options as I can.

It's crucial to remember that products introduced today must be designed with an eye to this future value swap when NOWs or *de facto* interest on transaction accounts occurs via EFT. The imperative need to do this can be seen in New England where the interest incentive has already been given away to the consumer.

For example, a recent survey in Connecticut, where NOW accounts already exist, showed substantial consumer resistance to bill-paying plans or ATMs when a service fee was attached. With-

### Our Error on Harris

In the March issue of MID-CONTINENT BANKER, it was reported that Harris Bank, Chicago, had started an affirmative-action program to monitor its hiring and promotion practices and that Nathaniel Walton had been named program coordinator.

This was partially in error because Harris Bank has had an affirmative-action program since the late 1960s and a formal affirmative-action program since May, 1973.

In his new post, Mr. Walton has charge of the equal-opportunity program, which includes monitoring the bank's hiring and promotion practices.

Mr. Walton joined Harris Bank in 1967 as a computer programmer trainee, systems development division. Prior to his 1977 appointment as EEO analyst, he held a succession of posts in the operations department, including senior programmer-analyst and technical adviser. He holds a bachelor's degree in computer sciences from Roosevelt University, Chicago, and is working toward a master's degree at the University of Chicago.

out something more to swap, the consumer value transaction just doesn't seem to be there.

Given the inevitable evolution of interest-bearing transaction accounts in one way or another, it is perhaps too much to hope that it could be saved as a swap for electronic banking. But since implementation of NOW accounts by the time they are authorized nationally is at least two or three years away, both Congress and the total banking industry should look hard at tying payment of interest on transaction banking to electronic based household accounts.

This is an old idea, first proposed by former Fed governor George Mitchell. I think it's time to revive it. Either way, your future EFT products should be planned with this potential swap in mind. Once past, it's like an opportunity gone forever. You aren't going to get many chances to survive.

For those who wish that NOWs would just go away and who like the cozy world of status quo, I can offer no solace. The NOW account is just one of many changes to come in banking. It is the current manifestation of a continuing revolution and challenge. So let me leave you to ponder the following parable:

And it came to pass that there was a great upheaval on the bottom of the ocean, generating an immense tidal wave. And word went forth over the media that all life on earth was doomed: that this tidal wave was higher than the highest mountain and would sweep all things away as it passed over the land. As the final hour approached, three bankers met upon the street and fell into discussion about the impending tragedy.

And the first banker spoke as follows: "Brothers, I have no fear. For I have built a moat, a wall, an underground bunker, and I shall hunker down and stonewall it."

And thus replied the second banker: "My friend, you have been wise. But I have faith that this will not happen. I have gone unto the temples of the regulators and legislators. I have made them burnt offerings, given incense and myrrh and crossed the palms of the legal priests with silver. And I have prayed unto them, 'Surely you will not let your good and faithful servant perish. Surely you will lift up your hand and save me.' I know my prayers will be answered."

And the third banker, having listened to all this wisdom, spoke simply and said: "My brothers, there is much wisdom in what you have done. But while you boys have been doing all that, I have been taking lessons and have learned how to breathe under water."

# Effect of Farm Strike Minimal, According to Ag Bankers

*Biggest benefit gained—attention of public*

**T**HE NATIONWIDE farm strike has had some effect on the farmers' economic situation, but is seen as not constituting a major threat to the nation's food supply or the operations of banks serving agriculture. This is the consensus of the majority of ag bankers participating in a MID-CONTINENT BANKER telephone poll.

Bankers interviewed included members of the ABA's agricultural bankers division, both those serving on the executive committee and those designated as "action bankers."

Farmers have been extremely effective in publicizing their situation, making Washington, D. C., very aware of their situation, said M. Max Dickerson, senior vice president, Commercial National, Kansas City, Kan. Many people are surprised at the effectiveness of farmers' attempts to tell their story to the public and to legislators.

They've been persistent in all they're attempting to do, he added. People thought parades would be the extent of their activities, but they were wrong.

Mr. Dickerson said the U. S. Senate responded to the farmers' strike by passing two separate, but overlapping, bills, thinking that the House would either combine them or eliminate one. But the House didn't do that, forcing a compromise situation. However, he added, no matter what Congress does, it won't be done soon enough to influence the spring planting plans of most Kansas farmers. (The House killed the bill after it was termed inflationary by President Jimmy Carter.)

The effectiveness of the strike can't be assessed in dollars and cents, Mr. Dickerson said, although prices for corn and milo are up 30¢-40¢ and wheat is up 25¢. He said a number of factors contributed to this price rise, one of which is the strike movement. However, he added, the principal benefit of the strike for farmers is the attention they are getting—and will continue to get—from legislators.

There has been some plowing under of crops in Kansas, but not much, he said. Actually, just enough was plowed

By **JIM FABIAN**  
Associate Editor

under to gain publicity in the nation's press. Some wheat is always plowed up, he said. If farmers had known the market situation for this year last fall when they planted their winter wheat, they might not have planted as much as they did.

Mr. Dickerson said that, although the strike has had little effect on ag bankers, it has had considerable effect on agribusiness as a whole. Farmers are delaying purchases of farm equipment, continuing a trend that began a year ago, even before the strike. He said sales of implements were down 50% last year and prospects don't look good for sales this year.

Some farmers were overequipped, he

## Butz on Farm Strike

Former Secretary of Agriculture Earl L. Butz said the farm strike has had an "almost zero impact" on farm production and food prices. All the strike did was call the attention of the public to the farmers' plight, he said at a press conference last month in Kansas City. Mr. Butz was luncheon speaker at a correspondent bank conference hosted by Commerce Bank, Kansas City.

Farmers learned that they don't gain anything by parading shiny tractors around state capitol buildings or stooping to destructive acts in attempts to publicize their plight, he said.

He said modern farmers are capitalists and it's inconceivable that capitalists can gain anything by striking against themselves.

Most farmers are not as bad off as they would lead the public to believe, Mr. Butz said. "You don't go broke fast with \$6 soybeans," he added. Wheat and corn farmers are suffering, and many other types of farmers are going along with the grain farmers to try to present a united front, he said.

added, and they traditionally stop purchasing supplies and equipment when they are strapped for cash, whether or not they are on strike.

Mr. Dickerson predicted that most Kansas farmers would plant this spring, but they will try to anticipate acreage allotments that will be incorporated into federal legislation.

In Arkansas, the economic situation seems to have had as much influence over farmers as the strike has, according to Marlin D. Jackson, chairman and president, Security State, Paragould.

Wheat acreage in the state is down 50% this year, he said, due primarily to low prices, not the strike. The decision to plant less wheat was made prior to the beginning of the strike, he said. Although some wheat may be plowed under, in most cases it will be due to a poor crop and the improved market for soybeans. Arkansas weather has not been good this winter, he added.

He predicted that farmers won't refuse to plant this spring because of the strike. Rather, they're taking a wait-and-see attitude because of the set-asides to be contained in the farm bill in Congress. They will be willing to set aside land from planting if the bill provides for it, he said.

However, he added, their indecision has resulted in seed not being ordered, which could result in a seed shortage or later-than-normal planting.

Bankers in Arkansas are sympathetic to farmers and their situation, Mr. Jackson said. Most bankers are farmers themselves, or have been in the past. However, he added, bankers are not so sympathetic as to make imprudent loans or waive good banking practices. Bankers can't make bad loans for good causes, he said.

Farmers will be eager to take marginal land out of production in a show of sympathy with the strike, Mr. Jackson said. Also, they probably won't bother to try to upgrade marginal land this year.

A significant economic impact has re-

sulted from the strike, he said. Implement dealers report that sales are very low and Mr. Jackson's bank reports its rate of growth is substantially below normal. Deposits are down but loan demand is strong, reflecting the effect of the strike on the economies of rural communities.

Farmers don't expect to gain all their goals, he said. They don't expect 100% parity, but they want whatever they can get—and they are getting something.

Not many farmers in Missouri and Illinois will refuse to plant this spring, said Verman C. Bachman, agricultural officer at Mercantile Trust, St. Louis.

When spring comes, farmers get the urge to plant, he said. It would be very hard for them not to do so this year.

He added that many counties in Missouri (as well as in other states) qualify for disaster aid for farmers, which means they are eligible for 3% loans from the SBA that can be used to finance this year's crop as well as to bail farmers out of some of their existing debt. He said the SBA expects to loan \$500 million in 1978 from just its Kansas City regional office. Thus,

1978 could be the year that many farmers extricate themselves from much of their debt, he said.

Cattle and hog prices are now good; many of the farmers who are suffering are grain farmers.

Much of the farmers' problems, Mr. Bachman said, have come about because they have found it so easy to borrow. Thus, they've become overextended and are looking for ways to pay off their debts.

Although a few farmers in Oklahoma are plowing up their winter wheat, more of them will use the crop for grazing cattle, said James R. Eatherly, president, First National, Tonkawa, Okla.

The question of whether or not Oklahoma farmers will plant their next crop won't be raised until fall, when the new wheat crop goes in, he said. The present crop was planted prior to the strike.

The majority of local farmers aren't spending any money they don't have to, Mr. Eatherly said. This is seen as an indication of support for the farm strike. Farm implement sales are off more than they were in 1977. No new

combines and very few tractors have been purchased this year by farmers in Mr. Eatherly's area.

First of Tonkawa is highly loaned, he said. He would prefer that the loan ratio was lower. However, he said the bank can make loans because the average wheat farmer has a land equity of \$400,000. The value of land is the farmer's key to survival. It enables bankers to provide funds.

Many farmers have been living off their land equity for two years or more, he said. They've had to, since there's been no profit from farming for that period. They might just as well not have farmed for the last two years, he added.

Mr. Eatherly said there's a good deal of solidarity among farmers in his area. About 40% are hard-core strike supporters and quite a few are older farmers who are relatively well off financially. Another 25% of the farmers are strike sympathizers. He said this is the first time farmers in his area have been so unified.

There has been no effect from the farm strike in Indiana, according to the chairman of the agriculture committee of the Indiana Bankers Association—Adolph Haines, president, Bright National, Flora, Ind.

There has been a substantial carry-over of farm debt, he said, but not because of the strike. It's due to weather conditions and the prices farmers have been getting for their products.

He said the strike was not even mentioned at the IBA's recent ag conference.

Neil F. Bergenthal, vice president, First National, St. Louis, said that farmers who are plowing their winter wheat crops under are farmers whose crops are poor. Most farmers in his bank's trade area are planning to plant this year, he added.

He termed the Talmadge/Dole farm bill a Christmas tree bill—it has something for everyone. The bill is an example of how the farmer has caught the attention of the public and legislators. Farmers will continue their lobbying efforts, he said, but, as spring planting gets under way, things will simmer down.

Ag bankers don't seem to be too concerned about the strike and any of its effects, Mr. Bergenthal said. Last summer they were fearful as predictions pointed to many problems for this year, but the problems haven't materialized. "The situation has eased a bit, but farmers are not out of the woods yet," he said.

Bankers are keeping low profiles because they want to appear neutral.

Strikers are primarily young farmers

## Farmers Reappraise Strike Role

A significant number of farmers responding to a survey about the farm strike have reappraised the role of the farm movement, according to Doane Agricultural Service, St. Louis, which conducted the survey.

Doane's March survey was a follow-up of a similar survey taken last December. More than 200 farmers in 23 states participated, all members of Doane's Countrywide Farm Panel.

In the winter survey, participating farmers were asked if they believed the strike movement would be successful. Of those responding, 28% said yes, 55% said no and 17% had no opinion. In the March survey, participants were asked the same question. This time, 20% said yes, 25% said no and more than 55% said yes, with qualifications.

In the winter survey, 58% of the panel members said they planned to cut sales of farm products or limit purchases of machinery or supplies in the immediate future, 37% said no and 5% weren't sure. Of those who said they would withhold sales or defer purchases, about 25% said they would do so "as long as necessary" and 40% said "a short hold or no longer than spring."

Over 75% of the farmers surveyed in March said they had not changed their purchase plans from normal, with about 24% indicating they had held back on purchases. On the sales side, about 20% indicated they had sold less than normal in the three-month period between surveys, sharply fewer than had indicated they planned to delay sales when surveyed in December.

The key question in the March survey was: "Do you plan to plant less this spring than you would normally plant?" Almost 77% replied "no change," but the remainder said they would reduce plantings from normal. On the average, farmers planned to leave 31.5 acres idle. Average crop acreage of all respondents was 473. These farmers expected other farmers in their area to cut plantings 7.6%, or slightly more than they expected to cut on their own farms.



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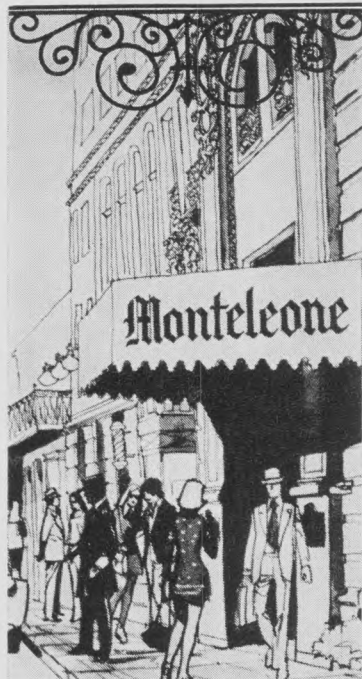
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who are in cost-price squeeze situations, he said.

The farm strike is not the primary problem in Alabama, it's the lack of rain, according to Mark C. Espy, vice president, Headland (Ala.) National.

He said that almost half the local farmers were pro-strike, but they are realizing that they're not going to get everything they asked for.

Headland National is standing by its farm customers and most are making loan payments on time. Although many farmers are overextended, most are still on a sound financial footing.

The strike has pretty much simmered down, although things were touch and go during the winter months, said Gerald York, vice president, First National, Corsicana, Tex. During the winter farmers had a lot of time on their hands and they did a lot of talking about the strike and their economic situation.

About 25 local farmers participated in the tractor parade in Washington, D. C., he said, but they're back on the farm now.

Planting this spring looks close to normal, he said. There has been little destruction of crops, partly because little winter wheat is grown in the area.

The strike has had no effect on First National. Loan demand is good and no farm loans have been charged off

this year. As he was being interviewed, Mr. York finalized a \$100,000 ag loan.

He stressed the fact that farmers were not overstating their situation, which is due to the twin negative factors of drought and low prices. However, a rise in cattle prices has served to improve the attitudes of many farmers.

No machinery is being purchased by farmers so far this year, he said. This isn't due to the strike, but to the poor economy in the area.

Most striking farmers are young, Mr. York said. They're the ones who haven't seen adverse circumstances in the past. The older farmers decided to weather out the storm rather than strike.

Militant young farmers, in general, want to buy equipment, but don't qualify for financing, he said. On the other hand, veteran farmers don't want to make purchases because they realize the dangers of overextending themselves.

Several uncertainties existed on the farm scene when this article was prepared. Some areas had not yet begun spring planting, the farm bill was pending in Congress and the weather was not cooperating in many areas. These and other factors could result in a different assessment of the farm situation at a later date, according to bankers who were interviewed. • •

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Money Market Investments:	
Federal Funds Sold .....	1,166,900
Other Investments .....	43,055
	<u>1,209,955</u>
Trading Account Securities—At Lower of Cost or Market .....	18,888
Investment Securities—At Amortized Cost:	
U.S. Treasury .....	574,596
States and Political Subdivisions .....	737,905
Federal Agencies and Other .....	33,087
	<u>1,345,588</u>
Loans:	
Commercial .....	1,989,370
Real Estate Mortgage .....	807,371
Consumer .....	370,397
Foreign Office .....	403,510
	<u>3,570,648</u>
Less Reserve for Possible Loan Losses .....	51,479
	<u>3,519,169</u>
Bank Premises and Equipment (at cost less accumulated depreciation of \$51,607) .....	68,670
Other Assets .....	178,186
Total Assets .....	<u>\$8,293,966</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:		
Demand .....	\$2,021,775	
Certified and Other Official Checks .....	376,780	
Individual Savings .....	1,482,807	
Individual Time .....	860,128	
Certificates of Deposits .....	574,910	
Other Savings and Time .....	155,625	
Foreign Office .....	1,030,238	
	<u>6,502,263</u>	
Other Liabilities:		
Short-Term Funds Borrowed .....	\$974,795	
Capital Notes .....	91,237	
Sundry Liabilities .....	214,202	
Total Liabilities .....	<u>1,280,234</u>	
Shareholders' Equity:		
Preferred Stock—No Par Value .....	—	
No. of Shares		
Authorized 1,000,000		
Issued —		
Common Stock—Par Value \$6.25 .....	75,953	
No. of Shares		
Authorized 20,000,000		
Issued 12,152,465		
Capital Surplus .....	178,746	
Retained Earnings .....	263,421	
Less: Treasury Stock—		
267,084 Common Shares, at cost .....	(6,651)	
Total Liabilities and Shareholders' Equity .....	<u>\$8,293,966</u>	

Assets carried at approximately \$508,000,000 (including U.S. Treasury Securities carried at \$18,000,000) were pledged at March 31, 1978, to secure public deposits (including deposits of \$35,322,452 of the Treasurer, State of Michigan) and for other purposes required by law.

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# Bank Teller Counter Configurations Match Purpose to Aesthetics

**T**HE SHORTEST distance between points may hardly be a straight line anymore. At least, not when the points are bank teller counter design and customer service, according to LeFebure Corp.

An exciting trend toward creatively combining function with form has evolved in bank architecture, says the Cedar Rapids, Iowa-based manufacturer of banking equipment and security systems.

Straight-line counters are by no means a thing of the past. But added to this conventional choice now are oval, circular, curved, zigzag, L-shaped, U-shaped and a variety of other configurations that can best match purpose to aesthetics.

And beyond the general shape of the counter itself, there is near limitless flexibility in teller station layout within. For instance, an oval counter may have equipment arranged in a straight line, right- or left-hand returns—or combinations may be selected.

According to many bankers today, a teller counter must make a pleasing contribution to interior design. More

importantly, it must function efficiently. The key to unifying these basic principles is understanding the unlimited potential of teller counter design and the great variety of equipment available.

"We feel it doesn't make sense to expect a bank to purchase a pre-designed counter configuration from miles away," said LeFebure President Ken Watts. "It's more practical, we think, for a bank to involve a sales engineer as a member of its local design team, with bank officials, the architect and the contractor right from the start.

"We also feel it's important for a bank to be able to draw on a wide variety of basic cash-handling and storage units, plus a lot of internal equipment options," observed Mr. Watts.

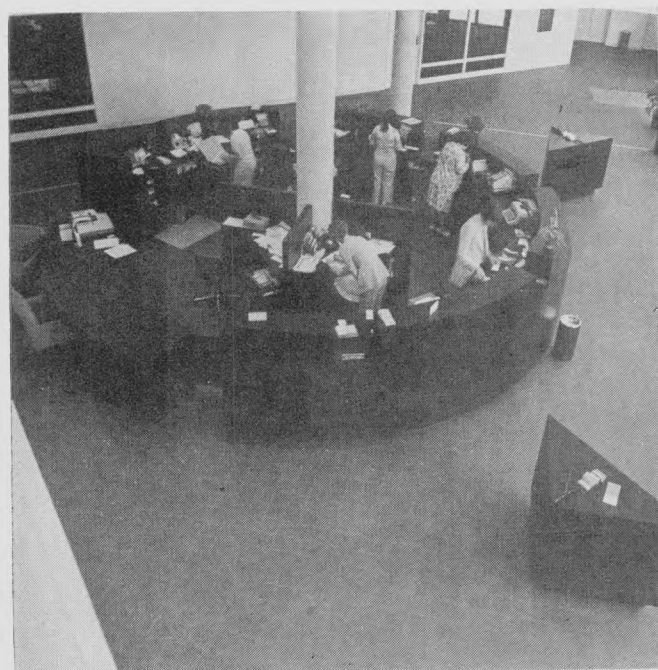
Holabird & Root, a major Chicago architectural firm, has worked on a number of banks, among them Chicago's LaSalle National. Jerry Horn, director of design, likens efficient handling of customers at a teller counter to a fast-food service. "You want to bring people in fast, get them to the

tellers and, especially on a busy day, maintain a turnover that's as rapid as can be consistent with good service.

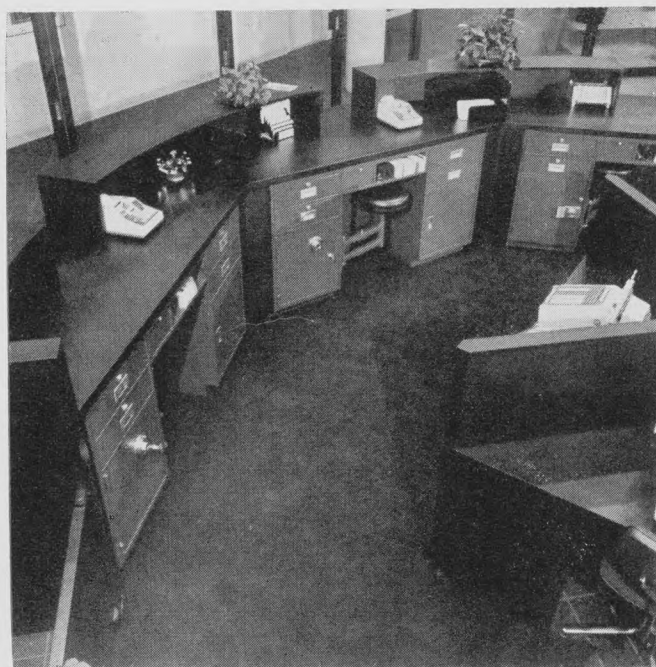
"Bank people have different ideas of what looks nice and also on the atmosphere they want to achieve on the banking floor. Some bank executives want to get a busy atmosphere, one that shows customers that this is a busy, bustling place. And certainly the way the teller counter is set up can have a lot to do with this."

Citizens Bank, Costa Mesa, Calif., was after a different effect. Starting business in a trailer six years ago, this bank put up a building whose interior keynote is spaciousness. The focal point of the lobby is a bronze chandelier suspended from the second floor ceiling and surrounded by a glass and cedar-enclosed balcony. On the first floor, the banking floor, this sense of openness is accentuated by the sweep of the U-shaped teller counter.

"We are opposed to the roped-off, next-in-line concept of serving customers at teller stations," says John Walsh, the bank's vice president and cashier. "We wanted our teller area to



**LEFT:** Circular teller counter arrangement at Brenton Bank, Cedar Rapids, Ia., is accented by triangular LeFebure check desks. Arrangement was chosen to soften building's angular design and reduce crowding on



**RIGHT:** Hexagonally shaped work area inside circular counter at Brenton Bank provides spacious counters for tellers. A back counter (r.) offers additional work area in center of enclosure.





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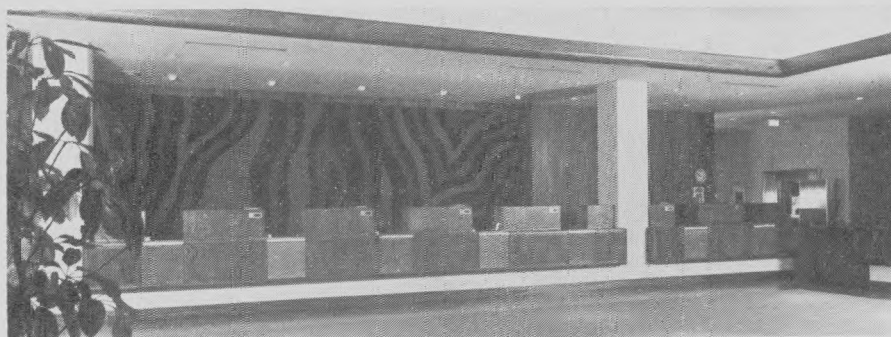
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Teller counter at Plaza First Nat'l of Westport, St. Louis, appears to be straight-line installation, but each station is a work area set apart by right-hand returns.



lend itself to handling a lot of people. We have 12 teller windows and when we need additional personnel . . . we have three women in new accounts who are brought over."

The U-shaped teller line roughly follows the dramatic ceiling line, sweeping around most of three sides of the lobby perimeter. Here, paying and receiving stations use a right-hand return.

"We wanted to give the impression of lots of room," Mr. Walsh added. The banking floor is 10,000 square feet, and glass-enclosed executive offices add to the feeling of space and light.

According to Charles Herbert of Charles Herbert & Associates, a Des

Moines, Ia., architectural firm, the circular counter of Brenton Bank in Cedar Rapids is an example of combining aesthetics and practicality. This bank is situated in a building that has an angular shape and the round counter provides a soft form in the bank's interior.

"The teller counter is one of the contributing forces in the interior architecture of a bank," Mr. Herbert said. "Things can be done with a round counter, for example, which can be very different.

"On the practical side, a round counter configuration for a particular bank can help reduce the crowding effect on a busy day because customer lines at

teller stations fan out like spokes in a wheel," Mr. Herbert added. "Obviously this can be significant on payday at a bank in an industrial city."

"The counter at the Brenton Bank was a strong factor in the planning and design of this bank," said Robert De Meulenaere, senior vice president. "Customers enter the bank from different angles and can be serviced quickly and conveniently by tellers inside the circular counter."

Although circular on the outside, the equipment for six teller stations employs a "straight line" arrangement in a hexagonal form.

Circular counters creatively solve problems at a great variety of financial institutions today.

Another good example is the installation at an S&L in the metropolitan Washington, D. C., area. There, a four-station round counter dominates an elegant lobby. The counter front finish blends in with the wall treatment, giving a striking illusion of spaciousness. Cash handling pedestals, media fixtures and custom fitted LeFebure "USE-engineered" machine base units enhance counter functionality.

Here, as at the Brenton Bank, a "straight line" arrangement is employed on the teller side. Because of the counter's smaller circumference, equipment was fitted to form a more perfect circle.

Modern bank buildings seem to have few limitations to reaching out to new designs, new effects. United Southwest National, Santa Fe, N. M., is said to be the first bank structure to be solar heated. It has stained glass windows on each side of the main entrance doors, a foliage-filled atrium, a fountain and a statue of San Mateo—Saint Matthew—patron saint of banking.

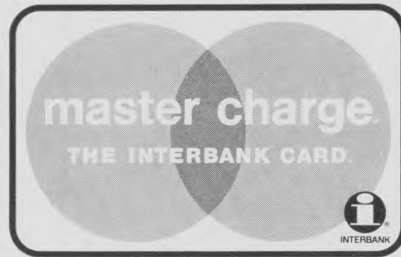
The bank's lobby features a unique zigzag (staggered) teller counter arrangement. According to a bank official, this permits several teller stations to be operated efficiently while accommodated within a compact area. While reducing waiting time for customers in line, this unusual counter design also



Zigzag counter at United Southwest Nat'l, Santa Fe, N. M., incorporates six stations in small area. Equipment for three stations is arranged in an open-ended square with both left- and right-hand returns. LeFebure security cash pedestals permit daytime currency and coin storage.



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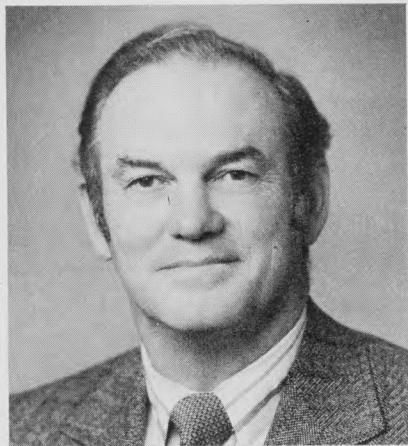


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fits in well with the warm and informal bank interior.

At another bank, once again it's practicality plus pleasing form.

"We like the universal teller approach," said C. S. Miller, president, Fargo (N. D.) National. "We wanted to do something with a teller counter that could give our tellers convenient access to all teller functions and yet permit us to handle a lot of customers efficiently."

The answer was an oval-shaped teller counter that melds harmoniously into the rectangular shape of the banking floor. The straight-line arrangement of teller pedestals provided sufficient space in the center of the oval for a large back counter with storage pedestals and filing units. Within a few steps, each teller has access to loan records, checking and savings records, CDs and microfiche equipment.

Over the entire teller area is a grid lighting expanse that is also oval in shape.

At another midwestern bank, the teller counter was designed in a horseshoe configuration to wrap around a massive white staircase that dominates the floor and leads to bank departments on the second floor.

Architectural elements were, of course, a strong factor in this design. But this bank also saw advantages in confining teller activity to a compact area. According to the cashier, the bank wanted to get as much customer service as possible on the main floor. This was brought about by a tight and precise grouping of the bank's customer functions—new accounts, loans, trust department and others—and also by using a bit of imagination in aligning the teller counter around that dramatic staircase.

Plaza First National of Westport, St. Louis, as well as a Connecticut bank, offer two such examples. At the Missouri bank, each paying and receiving station is a completely separate teller work area, employing a right-hand return.

The Connecticut bank teller counter, with seven paying and receiving stations, features an extremely functional arrangement of cash-handling pedestals and mobile teller buses. The portable units, on rollers, are easily wheeled into the vault at the end of each business day. Relief tellers may change stations with minimum inconvenience.

Variations are nearly endless. One thing is for certain. Teller counters aren't the same anymore. Especially when equipment manufacturers, sales engineers, bank officials, architects and contractors work together to make cash handling operations more efficient, more visually exciting. ••



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# Agriculture Holds Center Stage At Commerce Correspondent Day

By **JIM FABIAN**  
Associate Editor

**A**GRICULTURE was one of the primary topics aired at last month's correspondent bank conference sponsored by Commerce Bank, Kansas City. About 450 bankers attended the day-long program at the Alameda Plaza Hotel. Host for the meeting was Fred N. Coulson Jr., senior vice president and head of the correspondent department.

Morton I. Sosland, president Sosland Companies, Inc., and publisher/editor, "Milling and Baking News," started the agriculture topic rolling with a keynote talk assessing the state of the nation's agricultural economy and proposing ways to get things off dead center for farmers. Former U. S. Secretary of Agriculture Earl L. Butz delivered the luncheon address, calling for strong incentives to encourage farmers to produce enough foodstuffs to feed the world. Edwin B. Lewis, Commerce vice president, presented his views on the farm picture that afternoon.

Mr. Sosland addressed the question of the stimulating sales of agricultural products abroad as a method of boosting the farm economy. He said too little thought is being given to regulating consumption of ag products. He pointed out the dangers of allowing prices for ag products to rise so high that they become self-defeating. He said high prices will cure high prices, referring to the fact that, once a commodity becomes so high priced that sectors of the economy can't afford to buy it, a radical change results in a dramatic lowering of prices because of oversupply.

By the same token, he asked if low prices would cure low prices, because low prices make commodities readily



Host **Fred N. Coulson Jr.**, s.v.p. and head of correspondent dept. at Commerce Bank, Kansas City, greets bankers at correspondent conference held in KC last month.

available and affordable to a larger portion of the world than had formerly been the case. This in turn, would result in scarcity and a boosting of prices.

Mr. Sosland seems to espouse the policy of making the most of low prices rather than cutting back on production through set-asides, so farmers would experience more prosperous times.

He said that Russia bought grain from the U. S. last year because it was cheap, not because a poor harvest was anticipated. He criticized government policy of setting price minimums for grain and announcing that the minimum would not be lowered. Such a policy invites competing nations, such as Canada and Australia, to price their excess grain slightly lower than ours, thus effectively underselling the U. S. and depriving our farmers of the income they need to make a profit, he said.

The only reason China bought grain from us last year, he said, was because Canada and Australia had exhausted their supplies. He said that government policy forces us to hold on to our wheat

## Bankers Give Opinions

Each year, bankers attending the Commerce Bank correspondent meeting have an opportunity to predict banking conditions at year-end.

A tabulation of responses to last month's survey shows that 44% of those attending the meeting expect general business conditions to be better, 6% worse and 50% about the same, come year-end 1978.

A whopping 71% predicted that inflation would be worse; 60% said unemployment will be about the same; 70% said short-term interest rates will be higher; 64% said long-term interest rates would rise; 51% said wheat will be more than \$2.50/bushel, and 56% said cattle prices would be up.

A little over half predicted farmland prices to be stable; 49% said the prime rate will be 8½% by year-end, and 45% said the Fed funds rate will be 7% by the end of 1978.

In commenting on conditions at their own banks, 94% of the respondents predicted higher total deposits; 54% said their loan-to-deposit ratios would be up; 60% think the need for overline assistance will be about the same as it is now, and 60% predicted earnings would be higher.

Sixty percent said their banks do not plan to participate in an EFT system in 1978.



**P. V. Miller Jr.** (l.), pres., Commerce Bank, Kansas City, and **Earl L. Butz**, former U. S. Sec. of Agriculture, at luncheon held during Commerce Bank's correspondent conference. Mr. Butz was luncheon speaker.

until every competing nation sells off its supply. Then, and only then, does the U. S. farmer make foreign sales.

He added that China could afford to buy our wheat because it's getting a high price for the rice it's exporting. China sells its rice on the world market for three times the price it has to pay for our wheat, he said.

The U. S. is in the driver's seat this year, he said, due to its grain reserves. He recommended that an export subsidy in limited form be set so the U. S. will no longer be undersold by competing nations. The subsidy might not be used, he added, but it should be in existence for use if needed. He called the subsidy a tool to let the U. S. compete effectively with the Wheat Board of Canada.

Mr. Sosland applauded the defeat of the farm bill in the House of Representatives. It would have been a disastrous thing in the long term if the bill had passed, he said. The U. S. should concentrate on supplying the world's food needs, he said, because the world wants to improve its standard of living.

Mr. Butz called the modern American food machine the nation's number one source of foreign exchange. At the same time, he said, it's one of the real power bases undergirding our foreign policy.

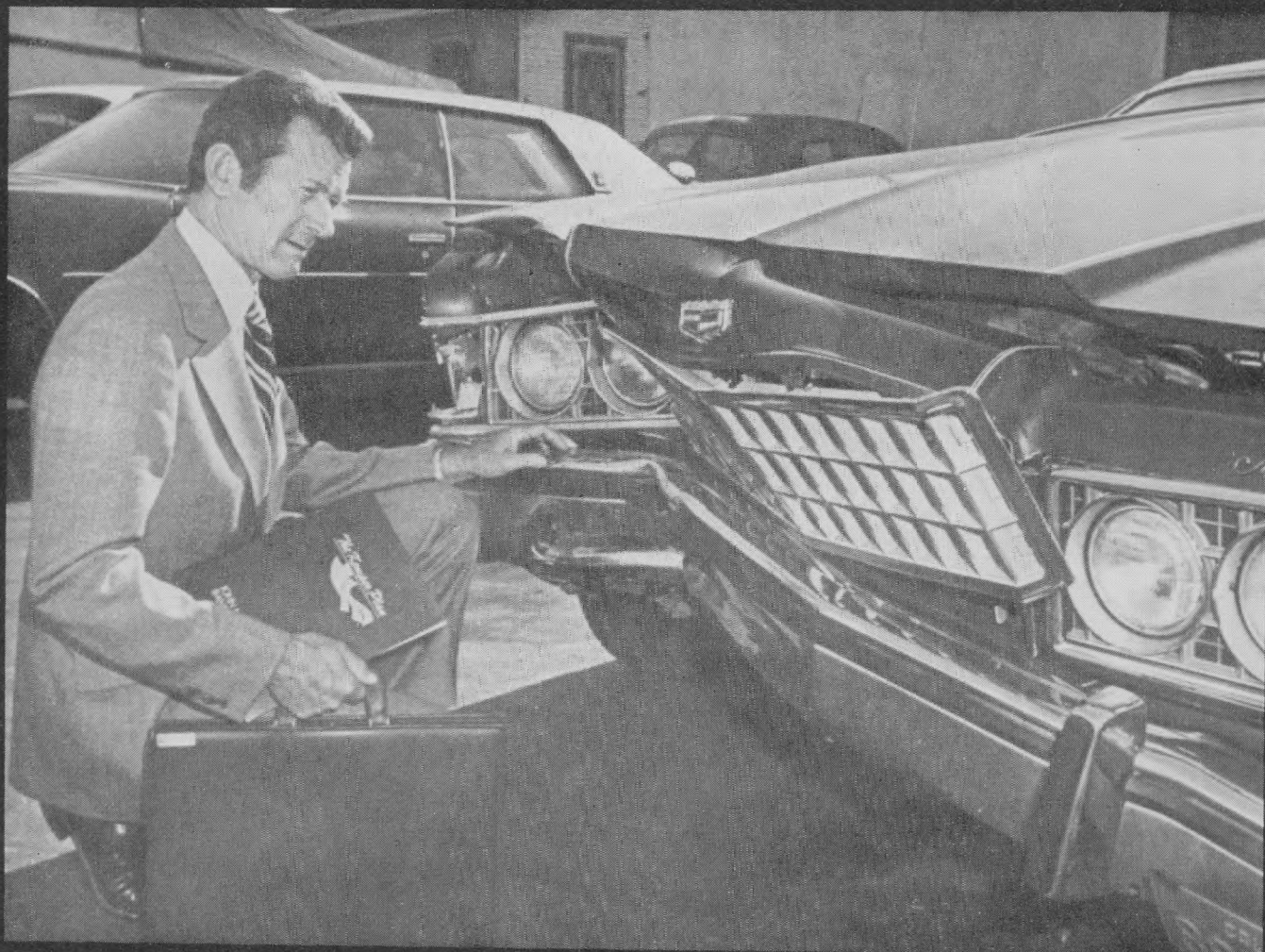
He said we are face-to-face with the fact that the world's number one problem is how to feed 80% more people in the next 25 years—that's as many people as we've learned to feed since the dawn of history, he added.

Too many nations, including our own, have an underlying, but powerful, urge to pursue a cheap food policy, he said, making it difficult for the man on the land to reap the reward for the innovations he makes.

Consumers the world around welcome such a cheap food policy, he said, and politicians respond, whether they're capitalist or communist. As nations become less agricultural and more urban, the incentive base for the farmer becomes less certain. It becomes more susceptible to political pressures and special interest dealings.

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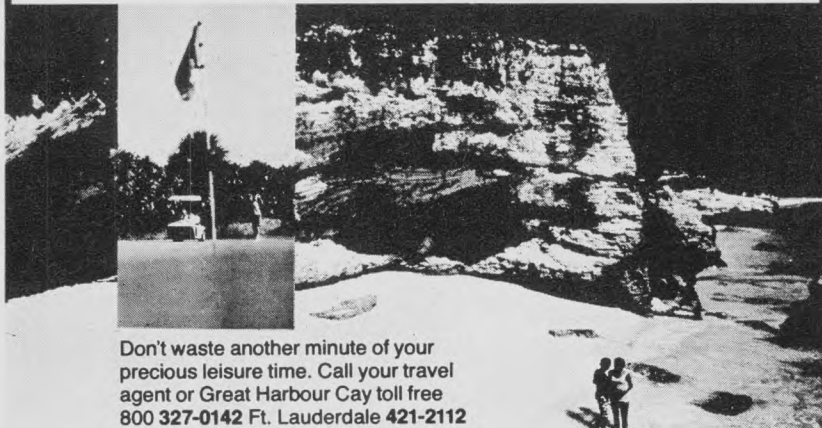
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John C. Messina (l.), v.p., host bank, chats with Dayton L. Mackey, e.v.p., & t.o., First Nat'l, Monett, Mo., at Commerce Bank correspondent conference.

"We must not dampen the incentives that have made our farmers the producers that they are," he said. "We must not signal to them in the language of price—the language they understand best—that we want less, not more.

"We must not constrain their access to markets, both domestic and foreign, by politically inspired price and production directives that create the illusion, even in the short run, that a government warehouse constitutes an enduring market."

He said the U. S. must make a stronger commitment than ever to keeping its farmers healthy and to helping others help themselves by instituting a strong system of incentives for the farmer.

Mr. Lewis said farmers in the Missouri-Kansas area are doing pretty well overall, but some won't make it through the current low-price situation. Increased prices for products won't be sufficient to enable some farmers to overcome a negative cash flow.

Many wheat farmers are grazing out their wheat, he said, which will help reduce any surpluses. He predicted that a 10% setaside could result in \$120 per acre for the farmer.

A wet spring has been predicted, with no major drought seen for this summer, even though moisture is expected to be below normal in the corn belt.

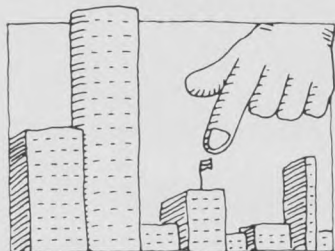
The cattle picture looks brighter this year, he added, with 5% less cattle being marketed this year than last year. The calf crop is the smallest since 1970 and 10% more cattle are on feed this year than last.

Beef production is less, due to the severe winter, he said, resulting in lower-weight cattle being marketed and little non-fed cattle being sold.

He predicted that beef consumption would be 120 pounds per capita this year, dropping to 110 pounds next year.

Pork producers are in excellent shape, he said, because there has been little new expansion, due to gloomy predictions. ••

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San Antonio—P. V. Miller, Jr., Fred N. Coulson, Jr.,  
Michael D. Steinmetz



May 13-17—Arkansas Bankers Convention,  
Hot Springs—P. V. Miller, Jr., Fred N. Coulson, Jr.,  
Thomas J. Brown, George W. Porter



May 15-17—Oklahoma Bankers Convention,  
Oklahoma City—P. V. Miller, Jr., Fred N. Coulson, Jr.,  
H. C. Bauman, Michael D. Steinmetz



May 10-12—Kansas Bankers Convention,  
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Jr., H. C. Bauman, John C. Messina,  
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May 14-16—Missouri Bankers Convention,  
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Jr., Fred N. Coulson, Jr., Thomas J. Brown,  
John C. Messina, George W. Porter



June 1-3—Colorado Bankers Convention,  
Colorado Springs—Fred N. Coulson, Jr.,  
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June 8-10—New Mexico Bankers Convention,  
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# Banking Profitability Given Thorough Airing At LBA Convention

By RALPH B. COX, Publisher

FOR THE SECOND YEAR in a row, the Louisiana Bankers Association has held its annual convention in a brand new hotel in New Orleans. This year, it was the Hilton, overlooking the Mississippi River. All convention activities, including exhibits, were housed under one roof. The convention was held last month.

Profitability was the convention theme, and the principal speakers discussed that topic. Among them was ABA President-Elect John Perkins, president, Continental Illinois National, Chicago.

He cautioned delegates that it's vital-ly important for bankers to maintain a climate that is conducive to bank profitability.

"Bankers have an obligation to do more than just assume a leadership role," he said. "Bankers also need to communicate the positive nature of that role to the public at large. Without this understanding, we run a real risk of adverse developments for our communities, our customers and our banks."

Bankers, by and large, do a good job of assuming leadership in their communities, he said, but they're not doing

as good a job as they could in making sure the public is aware of the positive thrust of bank-sponsored programs.

"Most of us are reluctant to blow our own horns," he said, "but we must communicate the positive leadership achievements of banking."

He reminded his audience that legislators are extremely sensitive to public opinion. If bankers forget this, he added, they are flirting with legislative disaster—especially during an era in which lawmakers tend to confuse unnecessary legislative activism with problem-solving and serving the public interest.

In most respects, Mr. Perkins said, the public's opinion of banking is favorable. Public opinion polls indicate that the public has respect for banking as an institution.

"But there's one area where public opinion toward banking isn't so favorable," he said. "And that's the vital area of leadership. We simply have not communicated banking's positive thrust in this area as well as we should have."

He said some of the most effective community and urban development programs were stimulated by banks, rather than government. But in the legislative arena, he added, banking's positive record is often ignored.

Self-appointed consumer representa-



New ABA councilman for Louisiana, R. L. Vanderpool Jr. (l.), pres., Ouachita Nat'l, Monroe, chats with ABA Pres.-Elect John Perkins, pres., Continental Illinois Nat'l, Chicago, and convention speaker, and Pat F. Willis, ABA state v.p., and v.p., Fidelity Nat'l, Baton Rouge.

tives—particularly in Washington—seize on an isolated problem that has not been solved. They ignore the fact that it's an exception and describe it as typical. The press plays it up as typical. Then they devise some grandiose program to solve it. Too often, such a program is aimed at financial institutions.

When bankers rightly point out that the program is unnecessary, the self-appointed watchdogs respond by saying, "You bankers are always against everything."

Mr. Perkins termed this situation a "difficult dilemma." He said bankers want to be positive, but they can't endorse one proposal after another that they perceive to be bad for everyone.

Numerous legislators, he said, have picked up what they think is banking's negativism and they take every opportunity to chide bankers for what they perceive as blind opposition to every program developed by their committees.

The chiding isn't so bad, he said. It's the legislation they pass, which turns out to be as bad in practice as bankers testified it would be when it was being discussed in Congress. He cited legislation such as RESPA, which often creates more problems than it corrects.

The reason banking is afflicted with



MID-CONTINENT BANKER for May 15, 1978

LBA officers for 1978-79 are (from l.) James G. Boyer—pres.; H. Graham Schneider—pres.-elect; and Joe Montero II—treas.



Exhibits again were a major part of the LBA convention, with more than 60 bank suppliers exhibiting their products and services. Exhibits ranged from traditional continuity incentive programs, such as those displayed by S&H Financial Promotions (l.), to specially prepared bank lobby displays for the Christmas season (c.) and even a custom shirtmaker who took orders and measured bankers for a "perfect fit."

programs of this type, he said, is because bankers didn't come forward with their own programs to deal with the nation's problems.

Mr. Perkins said that bankers who automatically oppose everything Congress proposes are out of touch with reality. They are hurting themselves, their banks and their customers.

Those who have been projecting a more positive stance have begun to disarm banking's critics, he said. This has resulted in some tangible legislative re-

sults, including derailing the Safe Banking Act.

Positive banker reaction is the key to stemming the tide of so-called "reform" legislation, he said. He told how a positive stance, taken against NOW account legislation, has resulted in a stalemate, which is much preferred to legislation authorizing S&Ls to offer NOW accounts without giving up their interest differential.

He called on bankers to take a similar positive approach to implementation of the Community Reinvestment Act. Bankers lost the battle to keep the act from being passed; now they must let regulators holding hearings about how to implement the act know the potential pitfalls of issuing specific regulations based on the vague wording of the act.

"That law," he said, "has all the potential to be a disaster, and it will be if the regulators come up with regulations that, in effect, mandate political credit allocation and lower credit standards and require bankers to bear the expense of a mountain of new reporting requirements, all on the basis of detailed, uniform regulations for the entire country."

The law doesn't have to be that bad, he said, provided bankers join together to propose implementation procedures they can live with.

"Louisiana Bank Profitability" was

the title of a talk given during the Monday afternoon session by James V. Baker Jr., executive vice president, Fidelity Bank, Oklahoma City.

He said that, although Louisiana fared better than most states during and after the recent recession, its bankers were still confronted with problems associated with charging unusually high interest rates and by weakness in selected areas such as real estate, construction and agriculture.

These problem lending areas caused a dramatic increase in Louisiana net chargeoffs, he said, which increased at a compound annual growth rate of 436.7% from 1972 to 1976.

He congratulated Louisiana bankers, however, on their recent loss experience, which is well below the national average. Loan loss reserves represented about 1% of outstanding loans at the end of 1976. Only three other states had lower ratios, he said.

Turning to the national scene, he said the banking industry has fared well despite the malevolent forces it has faced recently. The year 1977 marked the ninth consecutive year in which banking had an after-tax return on equity capital in excess of 10%.

"This performance," he said, "is especially impressive when you consider that, during the past 50 years, from 1928 through 1977, our industry's after-tax return on equity has exceeded 10% only 12 times.

"We still, however, have a long way to go compared with other industries," he said. Banking ranks 48th out of 55 major industries with an after-tax return on equity of 7.8%.

Mr. Baker spoke out against NOW accounts. "It's an anomaly to me how some of our leading industry spokesmen can lecture us about the need to reverse the decline in our profit margins while at the same time they tell us we should push for NOW accounts and the payment of interest on demand de-

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Congratulating new LBA Pres. James G. Boyer (l.) are outgoing Pres. Walter Stuart (c.) and outgoing Treas. John J. Doles Jr. Mr. Boyer is ch. & pres., Gulf Nat'l, Lake Charles; Mr. Stuart is v. ch. & treas., First Nat'l Bank of Commerce, New Orleans; Mr. Doles is pres., First State, Plain Dealing.

posits."

NOW accounts originated in New England and have been spreading west, he said. "If Massachusetts is any example of what you can expect, then I would suggest that you sell your bank before NOW accounts reach Louisiana!" he said.

Mr. Baker also rapped payment of interest on demand deposits.

"In all the articles I've read on this subject," he said, "no one has bothered to mention two important facts. First, very few banks now have the technical ability necessary to determine the collected balances in all their checking accounts."

The second point was that some bankers still believe that bigness is synonymous with greatness. These are the people, he said, who will likely be the first to adopt payment of interest on checking accounts and the last to realize the cost of other bank services must be increased to compensate for the loss such interest will bring to the bank.

Retiring LBA President Walter B. Stuart III complimented LBA members on the strength of their association. He warned bankers of the threat from all sides by S&Ls and credit unions that are trying hard to "get into our business" minus the reserve requirements, the taxation and the equalized interest rates.

"It has never been more important for bankers to strengthen their common bond," he said. "The people of Louisiana and their elected officials do not see us as 255 separate financial institutions scattered across the face of Louisiana, but as cohesive members of one of the most essential industries in our state."

He called attention to the fact that the LBA supported five pieces of state legislation last year, all of which were enacted unanimously by both houses.

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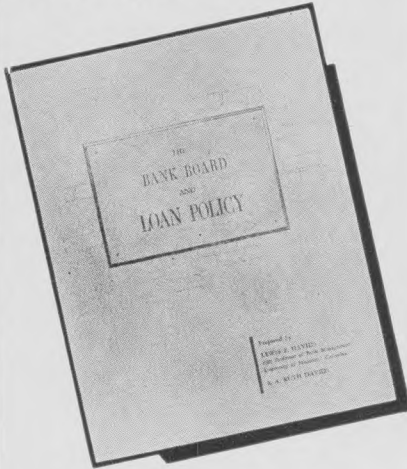


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Outgoing LBA Pres. Walter Stuart (l.) receives Treasury Savings Bond award on behalf of LBA from J. C. Williams, state dir. for U. S. Treasury.

"They must be made to see that S&Ls, though excellent providers of home loans, were never designed to operate as full-service banks; that credit unions operating outside the free enterprise system are not the answer; that credit unions are socialistic by design and that their continued growth as non-taxed providers of financial services is not in the long-range best interest of our state or nation; that so-called consumer advocates who work from the assumption that bankers . . . succeed by corrupt means and at the expense of the common man and that over-zealous bureaucrats who would so over-regulate our industry that we can't operate as profitable providers of financial services are operating in direct opposition to the best interests of every American."

Mr. Stuart, who is vice chairman, First National Bank of Commerce, New Orleans, said that bankers can't combat most of these threats on an individual basis. "Together, through the ties of the Louisiana Bankers Association and working closely with the American Bankers Association, we are a strong force in this state and nation," he said.

He called attention to the fact that bankers throughout Louisiana pooled more than \$100,000 to purchase advertising on virtually every available media to place banking's message before the people. The advertising pointed out the three major differences between full-service banks and S&Ls and credit unions.

He also called attention to the LBA's establishment of a directors' workshop. He said the workshop came about because the role of directors has changed significantly over the past several years.

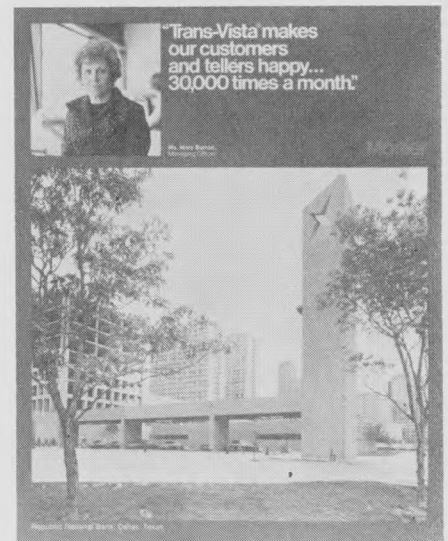
James G. Boyer, chairman and president, Gulf National, Lake Charles, was advanced to LBA president during the convention. Elected president-elect was H. Graham Schneider, president, First National, Lake Providence. New treasurer is Joe Montero II, executive vice president, Assumption Bank, Napoleonville.

Elected to three-year terms on the

LBA board were James G. Alario, executive vice president and cashier, State Bank, Golden Meadow; J. R. Foxall, president, Bank of the South, Gretna, and Joseph M. Connolly, chairman, Century National, New Orleans.

More than 2,000 bankers attended the convention. ••

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• **American Bankers Association.** The ABA has produced a new *Interest-Bearing-Transaction Accounts Handbook*, designed to help member banks prepare for the possibility of having to pay interest on personal-transaction accounts, referred to as IBTAs. Early chapters discuss the New England experiment with NOW accounts from the perspective of three banks that met the challenge successfully and suggest operating, marketing and planning criteria that should be factored into a bank's current considerations. Supplementing the handbook are four cassettes giving highlights of the ABA regional seminars on IBTAs held last summer. In addition, a leader's guide has been prepared to assist in development of in-house workshops or seminars on the subject. Cost of the handbook (including cassettes) is \$22.50 for ABA members and \$30 for nonmembers (Order No. 247300). The leader's guide costs \$7.50 for ABA members and \$10 for nonmembers (Order No. 247400). Write: ABA Order Processing, 1120 Connecticut Avenue, N. W., Washington, DC 20036.



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# New Mexico Convention

## President



JOPLIN

Charles A. Joplin, NMBA pres., joined First Nat'l, Lubbock, Tex., in 1955. In 1957, he joined Republic Nat'l, Dallas, and attended law school at night. A year after graduating, he returned to Lubbock as v.p., Citizens Nat'l. He worked for two other banks before joining Security Nat'l, Roswell, in 1973. He was named pres. that same year.

## President-Elect



HARMON

Leon G. Harmon, pres.-elect, NMBA, is pres., New Mexico Bank, Hobbs, which he joined as pres. in 1963 after serving with Planters State, Salina, Kan. He is a former ABA v.p. for New Mexico and is a member of the New Mexico State Board of Educational Finance.

## Treasurer



KALANGIS

NMBA treas. is Ike Kalangis, pres. & CEO, Capital Bank, Santa Fe. He is a graduate of the Southwestern Graduate School of Banking, Southern Methodist University, Dallas, and is a dir., First New Mexico Bankshare Corp. He is sec., New Mexico Council on Economic Education.

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Headquarters—Hilton Inn

### FIRST SESSION, 10 a.m., June 9

Call to Order—CHARLES A. JOPLIN, president, New Mexico Bankers Association, and president, Security National, Roswell.

National Anthem—CARMOLINE GRADY, Albuquerque.

Invocation—CHARLES R. THIGPEN, Methodist minister, Albuquerque.

Address of Welcome—DAVID RUSK, mayor of Albuquerque.

Response—LEON G. HARMON, president-elect, New Mexico Bankers Association, and president, New Mexico Bank, Hobbs.

Address—JERRY APODACA, governor of New Mexico, Santa Fe.

Address—STANLEY J. SCOTT, chairman, American Institute of Certified Public Accountants, and partner, Alford Meroney & Co., Dallas.

### SECOND SESSION, 9 a.m., June 10

Call to Order—CHARLES A. JOPLIN.

American Bankers Association Meeting—WAYNE STEWART, ABA state vice president, and president, First National Bank, Alamogordo.

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

Recognition of 25- and 50-Year Club Members—CHARLES A. JOPLIN.

Address—HARRISON SCHMITT, United States senator, Silver City.

Report of the Audit Committee—HAROLD C. QUINTON, committee chairman, and assistant vice president, First National Bank, Albuquerque.

Report of the Resolutions Committee—RICHARD G. ELKINS, committee chairman, and president, Rio Grande Valley Bank, Albuquerque.

President's Annual Report—CHARLES A. JOPLIN.

Report of the Nominating Committee—W. R. NICKS, committee chairman, and president, Western Bank, Springer.

Election of Officers.

Presentation of Past President's Pin and Certificate.

Remarks by New President.

Selection of 1980 Convention City.

Announcements.

Adjournment.

## New Mexico Bankers Association Convention Speakers



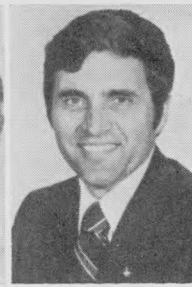
APODACA



SCOTT



VAN DERBUR



SCHMITT



**Governor, Football Players  
Among Speakers Announced  
For NMBA Convention**

ALBUQUERQUE—An estimated 1,500 bankers are expected to attend the 67th annual convention of the New Mexico Bankers Association set for June 8-10 at the Hilton Inn here.

Registration for the three-day convention will open Thursday, June 8, at the Hilton Inn and a reception is scheduled that evening with entertainment by the "Mariachi de Santa Fe." Other events on June 8 include the past presidents' luncheon with NMBA President Charles Joplin presiding and entertainment by the "Desert Sounds." Mr. Joplin is president, Security Bank, Roswell.

On Friday, June 9, activities will begin with the annual prayer breakfast, featuring an address by Danny White, back-up quarterback of the Dallas Cowboys, and prayers offered by Dallas Cowboy Fullback Robert Newhouse.

NMBA President Joplin will call the first general convention session to order at 10 a.m. Friday. Highlights of the opening session will include an address by New Mexico Governor Jerry Apodaca.

**First New Mexico  
Bankshare**



**Salutes  
Charles  
Joplin**

First New Mexico Bankshare Corporation and the Security National Bank of Roswell are proud to have had Charles Joplin serve as president of The New Mexico Bankers Association. On his behalf, we'd like to extend our gratitude to all of the Association members for the great cooperation extended during his term in office.

Charles Joplin  
President, Security National Bank  
of Roswell

**First New Mexico  
Bankshare  
Corporation**

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Albuquerque, New Mexico

**BANK OF LAS CRUCES, N A**  
Las Cruces, New Mexico

**FIRST NATIONAL BANK IN RATON**  
Raton, New Mexico

**FIRST NATIONAL BANK OF RIO ARRIBA**  
Española, New Mexico

**GRANT COUNTY BANK**  
Silver City, New Mexico

**SECURITY NATIONAL BANK OF ROSWELL**  
Roswell, New Mexico

**THE CAPITAL BANK**  
Santa Fe, New Mexico

**THE CLOVIS NATIONAL BANK**  
Clovis, New Mexico

**THE MERCHANTS BANK**  
Gallup, New Mexico

**VALLEY BANK**  
Farmington, New Mexico

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of**

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OF ARTESIA, NEW MEXICO**

At close of Business December 31, 1977

**RESOURCES**

Loans and Discounts .....	\$26,272,715.55	
Overdrafts .....	26,822.11	
Stock in Federal Reserve Bank .....	60,000.00	
Banking House Furniture & Fixtures .....	639,642.20	
U. S. Bonds .....	\$ 4,443,741.35	
Other U. S. Obligations .....	1,369,401.39	
Other Bonds .....	9,149,881.97	32,141,327.03
Federal Funds Sold .....	2,000,000.00	
Cash and Due From Banks .....	15,178,302.32	
Income Earned, Not Collected .....	676,267.21	
Other Assets .....	246,980.67	
<b>TOTAL .....</b>	<b>\$60,063,754.77</b>	

**LIABILITIES**

Capital .....	\$ 1,000,000.00
Surplus .....	1,000,000.00
Undivided Profits and Reserves .....	3,324,177.66
Special Reserves .....	455,371.74
Income Collected, Not Earned .....	683,749.61
Deposits .....	53,525,455.76
Dividends Outstanding .....	75,000.00
<b>TOTAL .....</b>	<b>\$60,063,754.77</b>

**OFFICERS**

CHAS. K. JOHNSON, President  
C. NEAL JOHNSON, Presidential Asst.  
C. F. HAMMETT, Sr. Vice-President  
VERNON WATSON, Vice-President  
DAVID T. SIMONS, Vice-President  
GEORGE H. FERRIMAN, Cashier-Trust Officer  
FLOYD E. HALL, Asst. Vice-President  
BRENT HAMMETT, Asst. Cashier  
BILL R. CARPENTER, Asst. Cashier  
KIMERICK F. HAYNER, Asst. Trust Officer

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# Illinois Convention

## President



MONTGOMERY

John R. Montgomery III, IBA pres., is pres., Lakeside Bank, Chicago, which he joined in 1966, following service with Northern Trust, Chicago, that began in 1952. He has attended the IBA Trust Development School.

## 1st Vice Pres.



BACKLUND

Serving as IBA 1st v.p. is B. F. Backlund, pres., Bartonville Bank, which he joined in 1970. He entered banking with the Nebraska Banking Dept. in 1955 and is a graduate of the Graduate School of Banking at the University of Wisconsin

## 2nd Vice Pres.



WEIR

IBA 2nd v.p. is Gavin Weir, ch. & pres., Chicago City Bank, which he joined as pres. in 1970. He was formerly with Pullman Bank, Chicago, which he joined in 1950.

Peoria, June 4-6

Headquarters—PEORIA HILTON

## TENTATIVE PROGRAM

FIRST SESSION, 9:30 a.m., June 5

Presiding—JOHN R. MONTGOMERY III, president, Illinois Bankers Association, and president, Lakeside Bank, Chicago.

Presentation of Colors.

Invocation.

Welcome—RICHARD CARVER, mayor of Peoria.

Address—GEORGE LeMAISTRE, chairman, Federal Deposit Insurance Corp., Washington, D. C.

Address—GERALD M. LOWRIE, executive director, government relations, American Bankers Association, Washington, D. C.

American Bankers Association Annual Meeting and Election.

Door Prize Drawing.

Adjournment.

SECOND SESSION, 9:30 a.m., June 6

Presiding—JOHN R. MONTGOMERY III.

Address—"A View From Washington," FRANK REYNOLDS, senior correspondent, ABC News, Washington, D. C.

Address—To Be Announced.

Address—To be Announced.

Door Prize Drawing.

Adjournment.

THIRD SESSION, 2 p.m., June 6

Presiding—JOHN R. MONTGOMERY III.

IBA Annual Meeting and Business Session.

Election of Officers.

Adoption of Proposed Resolutions.

Annual Reports—JOHN R. MONTGOMERY and WILLIAM HOC-TER, executive vice president, Illinois Bankers Association, Chicago.

Adjournment.

## Convention Speakers



LeMAISTRE



LOWRIE

## LeMaistre, Lowrie Head List of Speakers At IBA Convention

PEORIA—FDIC Chairman George LeMaistre and Gerald M. Lowrie, executive vice president of government relations for the ABA, head the list of speakers at this year's annual Illinois Bankers Association convention, set for the Peoria Hilton Hotel June 4-6.

The convention gets under way at noon on Sunday, June 4, when the registration desk and exhibitors' section open. Also on the calendar for that day is a dinner for past presidents, treasurers and wives.

Monday's program begins with the first business session, presided over by IBA President John R. Montgomery III, president, Lakeside Bank, Chicago. Peoria Mayor Richard Carver is expected to welcome the delegates prior to Mr. LeMaistre's address.

Mr. Lowrie's address will consist of a legislative report and will precede the annual meeting of Illinois ABA members, at which elections will be held to select delegates to the ABA convention.

At noon, the 50-Year Club will meet

### Second V.P. Candidate



Jack D. Lemmerman, president, National Bank, Monmouth, is the nominee for IBA 2nd v.p. for 1978-79. He joined his bank 30 years ago and has been president since 1966. He is a past IBA treasurer and a past president of Group Six. He is a member of the ABA's governing council and a director of the Western Illinois Chapter of AIB.

for luncheon and a spouses' program will be conducted in the afternoon.

Tuesday's general business session will open with an address by Frank Reynolds, senior correspondent, ABC News. His topic: "A View From Washington." Two other speakers will appear on the morning program, but they had not been confirmed at press time.

The convention luncheon will be held at noon, with the name of the speaker to be announced.

The closing business session will begin at 2 p.m. and will include the IBA annual meeting and annual reports by Mr. Montgomery and IBA Executive Vice President William Hocter.

The convention will wind up with a 6 p.m. reception and 7 p.m. banquet. Entertainment will be provided by Woody Herman and his orchestra.

### IBA Opens Springfield Office Headed by R. C. Schrimple

The IBA recently opened an office in Springfield headed by Robert C.



SCHRIMPLE

Schrimple, legislative consultant and former executive vice president of the IBA.

Opening of the downstate office reflects the rising attention being devoted by the banking industry to state legislative issues, Mr. Schrimple said.

He added that the facility is expected to improve the liaison with the vast majority of IBA member banks that are located downstate.

The IBA joins the Association for Modern Banking in Illinois and the Independent Community Banks in Illinois in maintaining offices in Springfield.

Others on the IBA Springfield staff are John Ryerson, Robert Marlowe and C. Russell Hamilton, all legislative assistants. Mr. Ryerson is a former staff

assistant to the Democratic leadership in the state senate. Mr. Marlowe served as a lobbyist for the Illinois Railroad Association and Mr. Hamilton was a member of the Illinois General Assembly for eight years.

### Arseneault Completes Term As Treasurer of IBA

Edmond J. Arseneault is completing his year-long term as IBA treasurer.



ARSENEAULT

He was elected to the post during last year's convention.

Mr. Arseneault is president, Soy Capital Bank, Decatur. He joined the bank in 1959 and has been president since 1966. He entered banking in 1954 at Connecticut Bank, Hartford.

He has served as vice chairman of the state legislation committee and as a member of the bank management, insurance and protection and executive committees of the IBA.



SINQUEFIELD

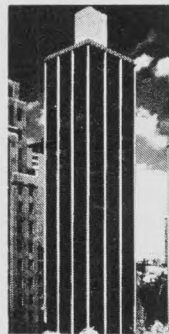
■ REX A. SINQUEFIELD, vice president, American National, Chicago, has been named senior vice president, head of the trust department and trust committee chairman. He joined the bank in 1972 and had been a vice president since 1976.

### IBA Treasurer Candidate



Raymond C. Burroughs, president, City National, Murphysboro, is a candidate for IBA treasurer. He has been nominated by the IBA nominating committee. Mr. Burroughs joined his bank in 1966 as president, following service with Bank of America, Bakersfield, Calif., and Wayne County Bank, Fairfield, Ill.

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MID-CONTINENT BANKER for May 15, 1978

53

# Same Ground Rules Needed For Banks as Are Allowed S&Ls and Credit Unions

By John R. Montgomery III  
President  
Lakeside Bank  
Chicago

As legislation and regulations continue to be introduced at the national level that will further restrict banks and bankers, we have seen expanded powers allowed to S&Ls and credit unions (CUs) in the past several years. In Illinois, a unit-banking state with 1,233 community banks, S&Ls already have opened over 600 branches. The Caterpillar Employees Credit Union has 13 branches in Peoria.

Advocates of branch banking point to this branching by S&Ls and CUs and suggest that banks are being disadvantaged and banking should be afforded the same branching powers. But our ability in the banking industry to compete effectively goes beyond the ability of these institutions to branch; indeed, it goes beyond the  $\frac{1}{2}$ % interest rate differential.

First, it's important to recognize that most S&Ls and CUs are mutual, not-for-profit associations. They don't have to show a profit. Banks, on the other hand, are for-profit corporations and management is charged with generating a profit on bank capital that is competitive—or hopefully more competitive—with that which can be achieved by investors in alternative investments.

This basic difference between these financial institutions can be seen in a Chicago S&L that closed out 1976 with assets of \$1.9 billion. A bank of comparable size would hope to return 1% on assets, or \$19 million in income. This S&L earned less than \$5 million! Thus it had upwards of \$14 million more than a bank of comparable size to put into full-page newspaper ads, pay more interest on savings, subsidize NINOW accounts or build branches.

A corollary disadvantage banks suffer is Federal Home Loan Bank Board permission to S&Ls to operate with con-

siderably lower capital positions than bank regulators insist on for banks of comparable size.

The Chicago S&L referred to above had a capital-to-asset ratio at year-end 1976 of less than 6%, even though its loan-to-deposit ratio exceeded 100%.

A \$400-million S&L in Chicago has a 3.5% capital-to-asset ratio but a loan-to-deposit ratio of 120%! A commercial bank would be closed by examiners if it was found in that condition.

Is not a depositor in an S&L entitled to the same protection a depositor in a commercial bank receives? Regulators expect banks to maintain capital-to-asset ratios of 7% to 8%, yet S&Ls with higher risk asset ratios are permitted to operate with much less capital. Those who speak of parity of interest rates should be equally concerned about parity in regulatory treatment.

CU powers have been appreciably broadened in the past several years. But what should be important to the general public is that regulation and supervision of CUs is significantly less stringent than it is for banks. Again, the public deserves the same protection for its funds in a CU as is provided by a bank.

There is, of course, a broad historic precedent for CUs where employees of a given business or affinity group have formed an association for their own benefit. But what we are seeing today is a broadening of the definition to embrace a much larger affinity group. Thus, we have credit unions in Illinois where the affinity group is "all Catholics" or that require people simply to reside in one or two counties to qualify as members.

Our legislatures should review state and federal statutes as they apply to CUs that adopt a public posture by building free-standing buildings, branches and broaden their affinity base definition to take in a large segment of the local population. Those CUs that choose to adopt a more public posture should be subject to the same regulatory supervision and reserve requirements that other financial institutions are subject to.

Obtaining parity on interest rates should continue to be a major thrust by

bankers in contacts with their representatives and senators. But it's important to recognize that there are basic problems that run much deeper. And despite parity on interest rates, if achieved, and branching, there are fundamental differences in treatment of these other financial institutions which, if not rectified, will continue to make it difficult to compete.

Banks are willing and able to compete, but they are forced to play the game under ground rules different from those of their competitors.

## Seven First-Timers To Attend Convention

Seven first-timers, representing three St. Louis banks, will be attending the Illinois Bankers Association convention this year.

- **Carlton A. Sterr** is a vice president and manager of the bond department at Boatmen's National. He has more than 13 years' experience in investment and commercial banking.

- **D. Phillip Setterlund** is a correspondent bank officer at Boatmen's National, which he joined last year. He has been in banking for several years.

- **Ernest K. Hellmich** joined Boatmen's National last November. He has been in banking for 14 years.

- **Larry D. Bayliss** is vice president for advertising and public relations at Boatmen's National. He joined the bank in 1968.

- **John W. McClure** is a vice president at Mercantile Trust, which he serves as head of the central group of the regional banking division. He joined the bank in 1971.

- **Neil F. Bergenthal** is a vice president at First National. He joined the bank in 1974 and was formerly a supervisory loan examiner for the Farm Credit Administration, St. Louis.

- **Earl N. Haldeman III** is an assistant vice president at First National, which he joined in 1976. He has attended the Southwestern Graduate School of Banking.



STERR

BAYLISS

SETTERLUND

HELLMICH

BERGENTHAL

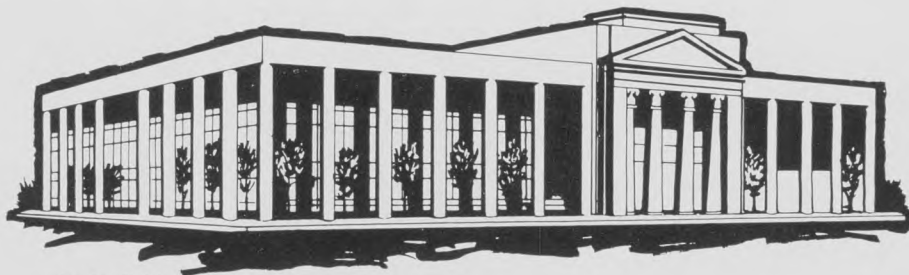
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Former warehouse (top) was transformed by Continental Bank into operations building (2nd from top) during three-year renovation project.



## Bank's Operations Building Rebuilt From Top to Bottom And From Outside In

WHEN Chicago's Continental Bank began to renovate its six-story operations building at 840 South Canal Street in 1975, the project that lay before it included practically rebuilding the structure from top to bottom and from the outside in and completely replacing the plumbing, electrical and heating systems. All this had to be done while the bank continued to use the building.

The 38-year-old building was purchased in October, 1975, from the General Electric Co. for \$1,950,000.

The finished product was unveiled April 19, when the city's mayor, Michael Bilandic, and bank officials planted a 35-foot "Chicago tree" in a two-story atrium to symbolically open the building. Joining Mayor Bilandic were Continental's chairman, Roger E. Anderson, and president, John H. Perkins, ABA president-elect.

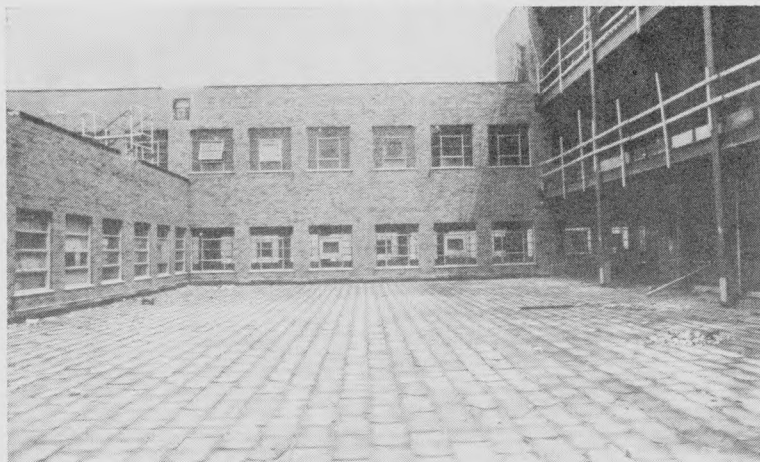
The bank pursued a renovation program that called for completing the

upper floors first because they were needed soonest to minimize interference with bank operations.

Because of an inherent problem in the original construction's design, the building's interior and exterior walls were joined, placing continuous stress on the structure's outer skin. As a result, tuckpointing on the building's brick veneer was required every few years. The problem was solved by demolishing the walls floor by floor to expose the building's core. After the removal of existing walls on each floor, the structure was re-clad from the top down with new brick.

As a means of avoiding disruption of bank operations, a perimeter corridor was built between the building's outer wall and computer areas. This corridor also was designed to contain the building's new mechanical and fire-protection systems and other equipment requiring frequent maintenance. Servicemen can gain access to this equipment

Continental Bank covered light court (bottom) of original building with tubular steel and glass skylight to create two-story atrium (right), which contains employee cafeteria and lounge areas. New floor of atrium covers original roof. Trees and plants heighten outdoor effect.





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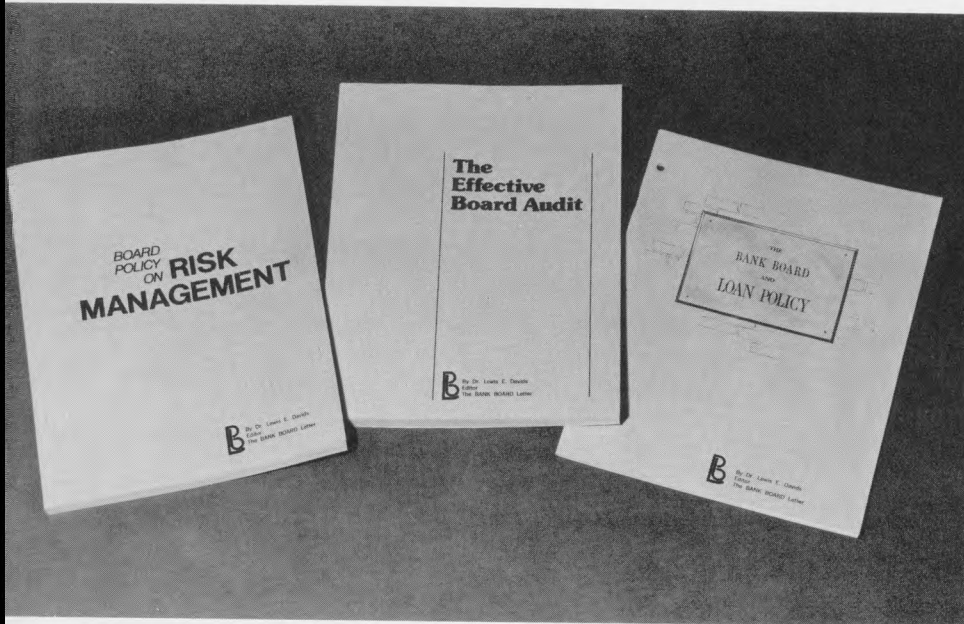
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**SPECIAL**

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Original interior (l). of 38-year-old operations building of Chicago's Continental Bank was completely refurbished. Re-designed floors include office space for bank's computer systems support staff (r.), as well as space for other bank operations.

by using the perimeter corridor and without entering the data processing area.

The atrium, which extends over the fifth and sixth floors and contains a cafeteria and employee lounge, was created by covering the original building's light court with a tubular steel and glass skylight and placing a new floor over what was the building's roof. Seventeen tropical ficus trees—a variety of fig—as well as numerous plants are arranged throughout the area to heighten the outdoor effect in the atrium.

Continental Bank is "reinvesting" the heat generated by computer equipment in the building by recycling it to heat other areas. The result is a super-sophisticated energy system that conserves fuel and saves money for the bank.

In simplified terms, the system works this way: Heat generated by computers' operation rises and is captured by return-air grilles in the ceilings. The heated air is carried by ducts to cooling coils. As the air passes over these coils, its heat is conducted to water inside the coils. This heated water is piped from the coils to chillers, where the heat—instead of being dissipated through

cooling towers into the open air and lost—is transferred to a heat exchanger, through which the heat is passed to water used in the building's heating system.

The heated water runs through the building's heating fan coils. Fans blowing air across these coils circulate the heat into building work spaces.

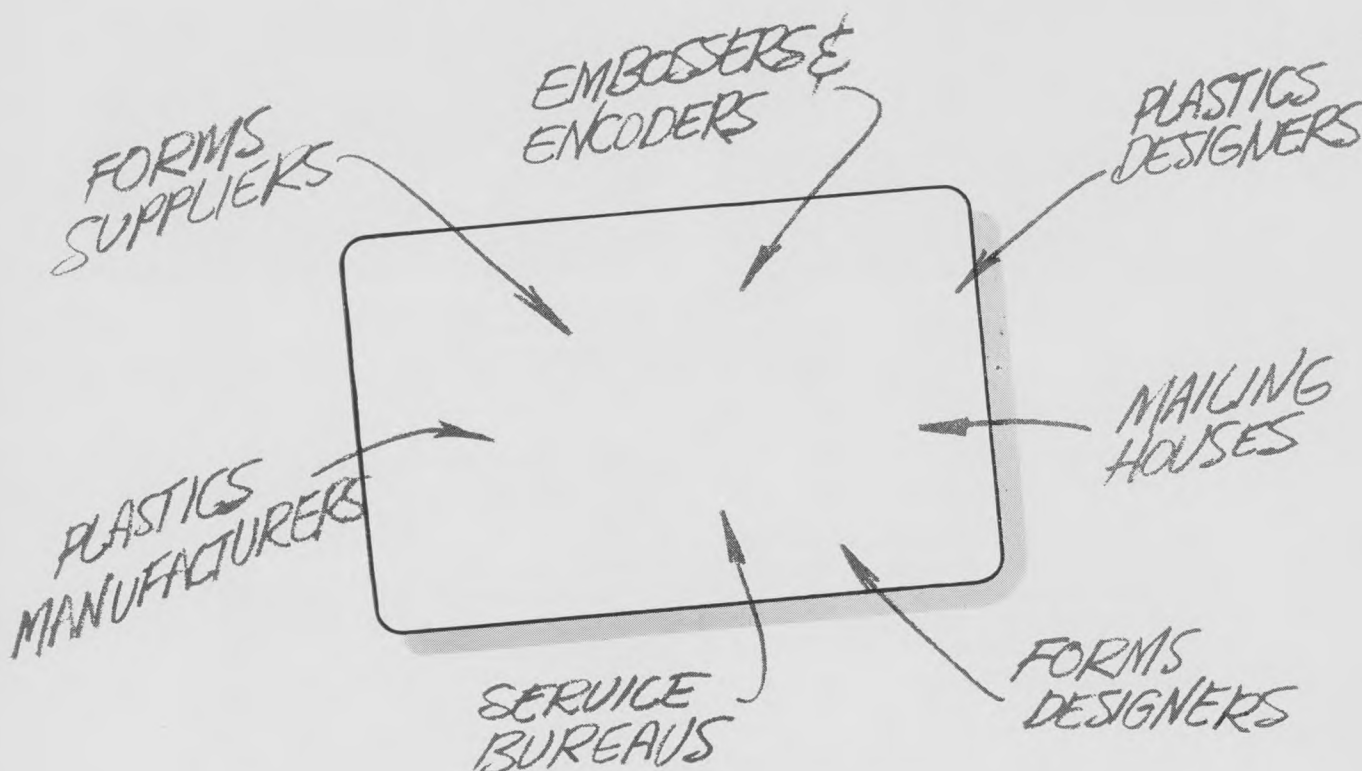
Energy also is being conserved in the two-story atrium area. Needs for heat and air conditioning there were reduced by more than half through use of special glass in the atrium skylight. Alternate layers of clear, opaque and tinted glass panes greatly reduce the escape of heat in winter and prevent the atrium from becoming overheated by the sun in summer.

To conserve electric power, there's a control panel in the security center equipped with switches that can turn off unnecessary lighting on any floor. Lights can be reduced by one-third or two-thirds during non-peak working hours or turned off completely when no one is working on a floor.

According to Continental Bank, the entire renovation cost 20% less than a new building would and also saved 14 months' time. • •

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## INDIANA NATIONAL BANK

MID-CONTINENT BANKER for May 15, 1978

# Indiana Convention

## President



VOSS

IBA pres. is Tom G. Voss, pres., Seymour Nat'l, which he joined as t.o. in 1967. He had been elected a dir. the previous year. In 1970, he was elected pres. He is a graduate of the Graduate School of Banking at the University of Wisconsin and is a CPA.

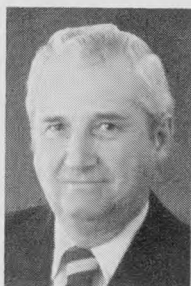
## Vice President



SHAFFER

Assn. v.p. is Paul E. Shaffer, ch. & pres., Fort Wayne Nat'l. He entered banking in 1945 at Rockford (O.) Nat'l, joined his present bank in 1952, was elected an officer in 1955, pres. in 1968 and ch. in 1970. He is a certified commercial lender.

## Treasurer



McWHORTER

Russell R. McWhorter, IBA treas., is pres., Citizens Bank, Michigan City. He entered banking in 1947 in Danville, Ill., and joined his present bank in 1962 as v.p. He has held his present title since 1972. He is on the faculty of the Graduate School of Consumer Banking at the University of Virginia.

Indianapolis, June 6-8

Headquarters—HYATT REGENCY INDIANAPOLIS

## PROGRAM

### FIRST SESSION, 9:30 a.m., June 7

Call to Order—TOM G. VOSS, president, Indiana Bankers Association, and president and CEO, Seymour National Bank.

Welcome—WILLIAM HUDNUT III, mayor of Indianapolis.

Report of Nominating Committee.

Election of Officers.

Address—LEE H. HAMILTON, U. S. congressman from Columbus, "U. S. Foreign Policy in an Interdependent World."

Address—JOHN H. PERKINS, president-elect, American Bankers Association, and president, Continental Illinois National Bank, Chicago.

Address—JOHN G. HEIMANN, Comptroller of the Currency, Washington, D. C.

Adjournment.

### SECOND SESSION, 9:30 a.m., June 8

Call to Order and President's Message—TOM G. VOSS.

Meeting of Members of the American Bankers Association.

Address—TILFORD C. GAINES, senior vice president and economist, Manufacturers Hanover Trust Co., New York City.

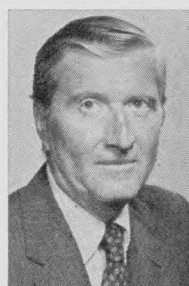
Address—TO BE ANNOUNCED.

Panel—"Legislative and Regulatory Outlook—the Department View."

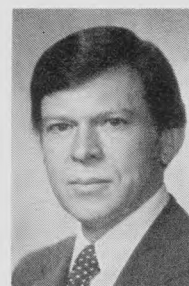
Adjournment.



GAINES



PERKINS



HEIMANN

## 'Changing Dimensions' Is Literal Theme For Indiana Meeting

"Changing Dimensions" is the theme of this year's Indiana Bankers Association convention, set for June 6-8. One of the basic dimensions being changed is the convention location, moved from traditional French Lick to Indianapolis, with headquarters at the Hyatt Regency Hotel.

The annual meeting is being billed as a "new-type" convention, and a number of innovations will take place this year throughout the three-day event.

Heading the speaker list will be Tilford Gaines, senior vice president and economist, Manufacturers Hanover Trust, New York; John Perkins, ABA president-elect, and president, Continental Illinois National, Chicago; and John G. Heimann, Comptroller of the Currency, Washington, D. C.

Other speakers will include U. S. Congressman Lee H. Hamilton from Columbus, whose topic will be "U. S. Foreign Policy in an Interdependent World," and a speaker to be announced.

A legislative and regulatory outlook panel will be held during the second general business session. Moderator will be Donald Hatke, chairman, IBA legislative committee, and president, Hancock Bank, Greenfield. Panelists will include George N. Lane, chairman, Citizens Bank, Jeffersonville; G. Eugene Yates, president, First Savings & Loan Association of Central Indiana, Anderson; and James E. Faris, director, Indiana Department of Financial Institutions. Messrs. Lane and Yates are members of the Department of Financial Institutions.

A special-interest session will be held on the afternoon of June 7 by Alex Sheshunoff, president, Sheshunoff & Co., Austin, Tex. Title of the session will be "Increasing Your Service-Charge Income."

Dr. Norman Vincent Peale will speak at the final convention activity, which is a luncheon for bankers and spouses. Dr. Peale will discuss "Why Positive Thinkers Get Positive Responses."

This year's convention will include an exhibit area of 50 booths, a first for the IBA. The exhibits will be open on all three days of the meeting.

Highlights of the first day will be a reception and luncheon for members of the IBA's 50-Year Club, the opening of the exhibit area in the Indiana Convention Center and correspondent bank social functions.

The second day will start with the

past presidents' breakfast, the first general business session, separate lunches for bankers and wives, the special-interest session, reception and banquet.

Thursday's activities will begin with a breakfast for the ABA official family, with the second business session and the joint banker/spouse luncheon following.

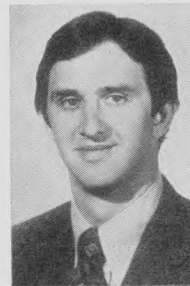
Banquet entertainment will be provided by the Re'Generation singing group, said to be one of America's premier performing groups.

A women's program will include a special tour of the Indianapolis Museum of Art, the governor's residence, the new City Market, the Morris-Butler Home and the Children's Museum.

### Two Are First-Timers



ISBELL



MATHIAS

Phillip B. Isbell and Robert J. Mathias will be first-timers at the Indiana Bankers Association convention this year. Mr. Isbell is a vice president in the correspondent banking division, Boatmen's National, St. Louis. Prior to joining Boatmen's, he served in the correspondent division of National Stock Yards National. Mr. Mathias is a banking officer in division A of the central group at Mercantile Trust, St. Louis. He joined the bank in 1974 and was named a banking officer in 1976.

■ BERYL W. SPRINKEL, executive vice president/economist, Harris Bank Chicago, was the featured speaker at an economic seminar sponsored by St. Joseph Valley Bank, Elkhart, April 27. The program was one of a continuing series of such seminars for local business people. In other action, Michael I. Neff, assistant vice president, was made head of the newly established loan review department. He joined the bank in 1974 as an audit trainee. In January, 1975, he was made staff auditor, and the following August, he was promoted to audit supervisor. Mr. Neff advanced to assistant vice president in 1976 and remained in the auditing department until assuming his new duties.

■ ST. JOSEPH BANK, South Bend, promoted Joseph Koloszar, Phillip E. Byrd and Steven Watts to vice presidents and named John McBride assistant vice president. Mr. Koloszar is

manager, Roseland Office. Mr. Byrd is a commercial loan officer. Mr. Watts heads the international department, and Mr. McBride is in the consumer loan department.

■ COMMUNITY STATE, Huntington, has promoted Nora E. Hill to vice president and secretary, James K. Bledsoe to vice president and trust officer, Robert J. Kyle and John H. Easterday to assistant vice presidents and Nancy Denman to assistant vice president and branch manager.

■ WILLIAM L. SIMONSON JR. has been named assistant vice president, corporate banking division, Peoples Trust, Fort Wayne. He was formerly with Lorain (O.) National.

■ FIRST BANK, Whiting, has two new directors—Gerald Thomas Clusserath and Donald O. Cassaday. Mr. Clusserath is president, Budd Mechanical Systems, Hammond, and Lake Specialties, Inc. Mr. Cassaday is senior vice president, loan division, First Bank.

■ TERRY LEWIS and Michael Schecter have been promoted to assistant vice presidents at Citizens Bank, Jeffersonville. Mr. Lewis joined the bank in 1970 and has been Greentree Branch manager since last July. Mr. Schecter went to the bank in 1973 and was made Hallmark Branch manager in 1976.

■ ST. JOSEPH BANK, South Bend, has promoted Lloyd Taylor to senior vice president, Barbara Lenczowski to vice president and Donald Dennig to assistant vice president. New officers are Suzanne Case, assistant investment officer, and William Corbett, trust officer.

■ INDIANA NATIONAL, Indianapolis, has promoted James R. Wood and Paul C. Munson to vice presidents and trust officers. Mr. Wood heads the new business development department, trust division, and Mr. Munson is in the research area, trust. Both formerly were assistant vice presidents. A. Ernest Williams, manager, car leasing, was made an assistant vice president, installment loan department.

■ DONALD L. ALFORD SR. has been promoted to manager, Sample Street Office, First Bank, South Bend. He joined the bank in 1974 as operations manager and has been in that post at the Ewing Avenue, Western Avenue and Airport offices.



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Seated, left to right, Frank Nichols and Jim Burkholder, Leonard Marshall, standing.

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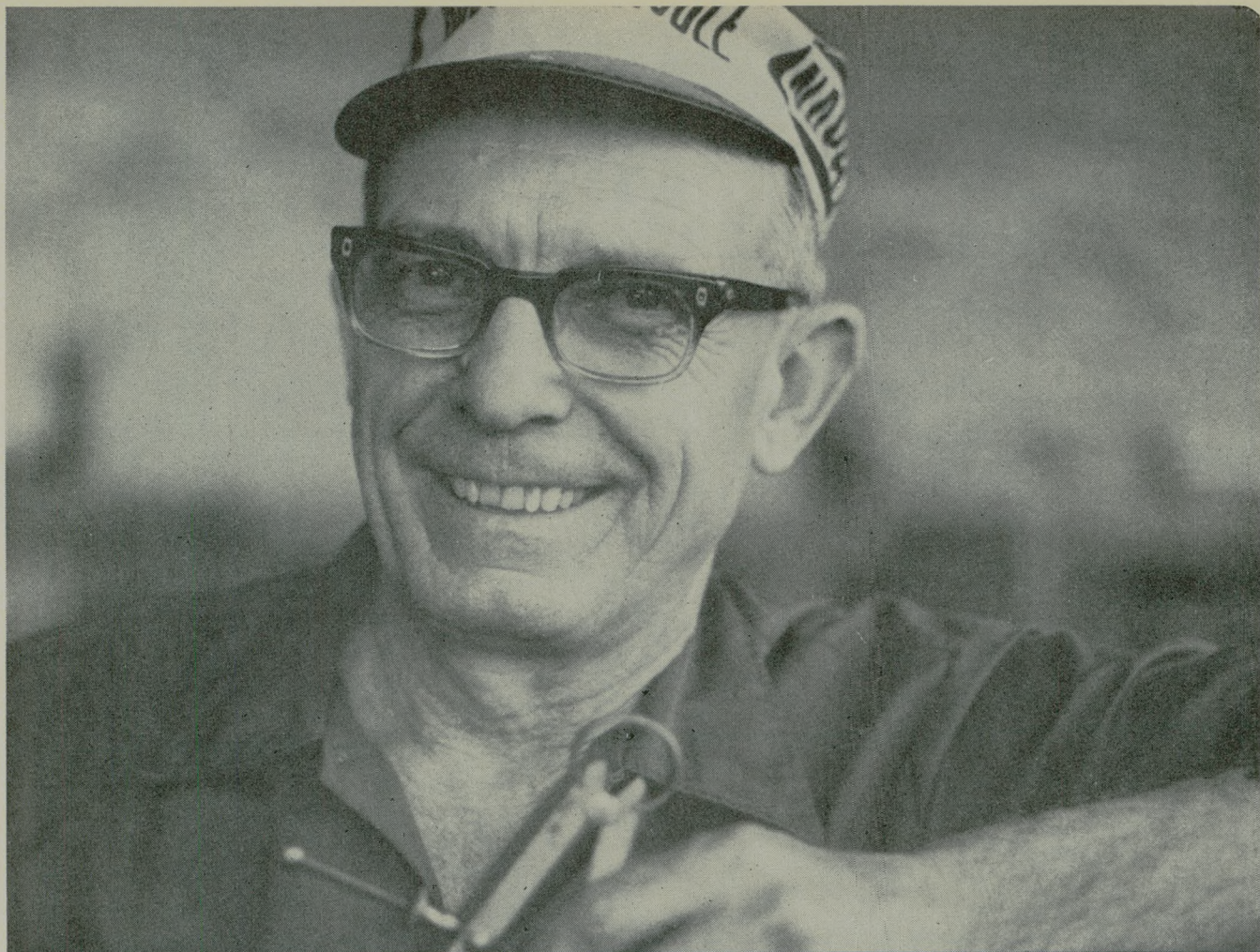
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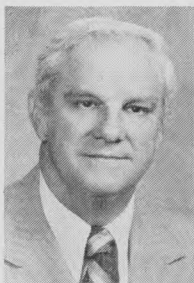


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# Mississippi Convention

## President



SMITH

Ray K. Smith, MBA pres., is pres. & CEO, First Nat'l, Greenville, which he joined in 1957. He was elected a dir. in 1967 and pres. & CEO in 1972. He has served MBA as ch., uniform consumer credit code, installment credit and bank management committees and as a member of the legislative committee.

## Vice President



GAGE

Serving as v.p. of the MBA is R. D. "Bobby" Gage III, pres. & CEO, Port Gibson Bank. He joined the bank in 1952 as cash./v.p. after five years as an attorney. He was appointed pres. & CEO in 1967.

## Treasurer



McMULLAN

MBA treas. is Paul W. McMullan, ch., First Mississippi Nat'l, Hattiesburg. He entered banking in 1954 in Newton, Miss., and joined First Mississippi Nat'l in 1965. He has held his present title since 1973.

**Biloxi, May 20-24**

**Headquarters—Biloxi Hilton & Broadwater Beach Hotels**

## PROGRAM

### FIRST SESSION, 9:15 a.m., May 22

#### Call to Order.

**Executive Committee Report**—RAY K. SMITH, president, Mississippi Bankers Association, and president and chief executive officer, First National Bank, Greenville.

**Resolutions**—V. E. BERBETTE, committee chairman, and president, First Citizens National Bank, Tupelo.

**Financial Report**—PAUL W. McMULLAN, Mississippi Bankers Association treasurer, and chairman and chief executive officer, First Mississippi National, Hattiesburg.

#### Presentation of 40-Year Club Certificates.

**Chair of Banking Report**—DONALD L. MOAK, chair of banking.

**Young Bankers Section Report**—CHARLES A. JORDAN, president, Young Bankers Section, Columbus.

#### Standing Committee Reports.

**Address**—LAWRENCE K. ROOS, president, Federal Reserve Bank of St. Louis.

### SECOND SESSION, 9:30 a.m., May 23

**President's Address**—RAY K. SMITH.

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

**Meeting of Mississippi Members of American Bankers Association**—LEO W. SEAL JR., member, ABA governing council, and president and chief executive officer, Hancock Bank, Gulfport.

#### Presentation of 50-Year Club Certificates.

**Address**—THOMAS R. SMITH, treasurer, American Bankers Association, and president, Fidelity Brenton Bank, Marshalltown, Iowa.

#### Necrology Report.

**Resolutions Committee Report**—V. E. BERBETTE.

**Report of Nominating Committee.**

**Election of Officers.**

## ABA Treasurer, Fed Pres. Set for Miss. Convention In Biloxi May 20-24

BILOXI—ABA Treasurer Thomas R. Smith and Lawrence K. Roos, president, St. Louis Fed, head the list of speakers for this year's annual Mississippi Bankers Association convention, set for May 20-24. Mr. Smith is president, Fidelity Brenton Bank, Marshalltown, Ia.

The convention gets underway on Saturday, May 20, with the annual tennis and golf tournaments. Registration opens at 2 p.m. in the Hilton Hotel lobby.

### Convention Speakers



SMITH



ROOS

Parties set for Saturday include a welcoming affair sponsored by Mississippi Bank, Jackson, and an evening party sponsored by First Mississippi National, Hattiesburg.

A devotional service will be held on Sunday morning, May 21. Other events include the tennis tournament finals, the executive committee/past presidents' dinner and parties sponsored by Central Bank, Birmingham, Deposit Guaranty National, Jackson, and National Bank of Commerce, Memphis.

The first general business session starts at 9:15 a.m. on Monday, May 22, in the Hilton Grand Casino. At 11 a.m., First National, Jackson, will hold its annual party in the Hilton Grand Ballroom. A golf tournament will begin at 1 p.m. and the traditional oyster bar will start at 4 p.m., sponsored by Hancock Bank, Gulfport.

Evening events will be held at the new Mississippi Coast Convention Center. The social hour will begin at 6:30 and the banquet, entitled "Ray's Riverboat Ramble/Seafood Jamboree," will begin at 7:30. Entertainment will be provided by the New Christy Minstrels.

Tuesday's events begin with a breakfast for graduates of the School of Banking of the South, followed by the second general business session, beginning at 9:30 a.m. at the Broadwater Beach Hotel.

A stag luncheon and a women's buffet will be held at 11:30 a.m., the oyster bar will reopen at 4 p.m. and the annual banquet will begin at 7:30 p.m.

## Bankers Should Expect To Pay for All Deposits, Within Few Years

By **RAY K. SMITH**  
President  
First National Bank  
Greenville, Miss.

For a number of years, most banks have experienced a larger percentage of their total deposits flowing into interest-bearing accounts. The trend has accelerated and we can likely expect it to continue.

Not only have individual and commercial depositors become more conscious about investing their excess funds, but public officials also are leaving smaller balances in their demand accounts so they can employ more dollars and earn more interest.

The U. S. Treasury's recent move to changing its T&L accounts from being interest-free to interest-bearing is just another example of what we might expect in the future.

Whether or not we see nationwide NOWs, automatic transfers from savings to checking or interest-bearing checking accounts, there's a definite influence moving in that direction and we might expect to be paying for all our deposits in a few years.

There's a rather strong feeling by a certain number of people on the federal level that Regulation Q should be abolished altogether so small savers would have access to the same market rates as larger depositors. That philosophy can have much voter appeal, but it also could have disastrous results.

The only way the banking industry can maintain a sound structure is to continue to earn a reasonable return on its equity. Being confronted with the prospect of much higher interest costs, we will certainly have to offset that expense through pricing of services and/or loans. Should Regulation Q be abolished and we experience an escalating rate environment, it's doubtful that many states would have usury ceilings that would allow an adequate spread between interest paid and interest charged.

It would be too politically unpopular

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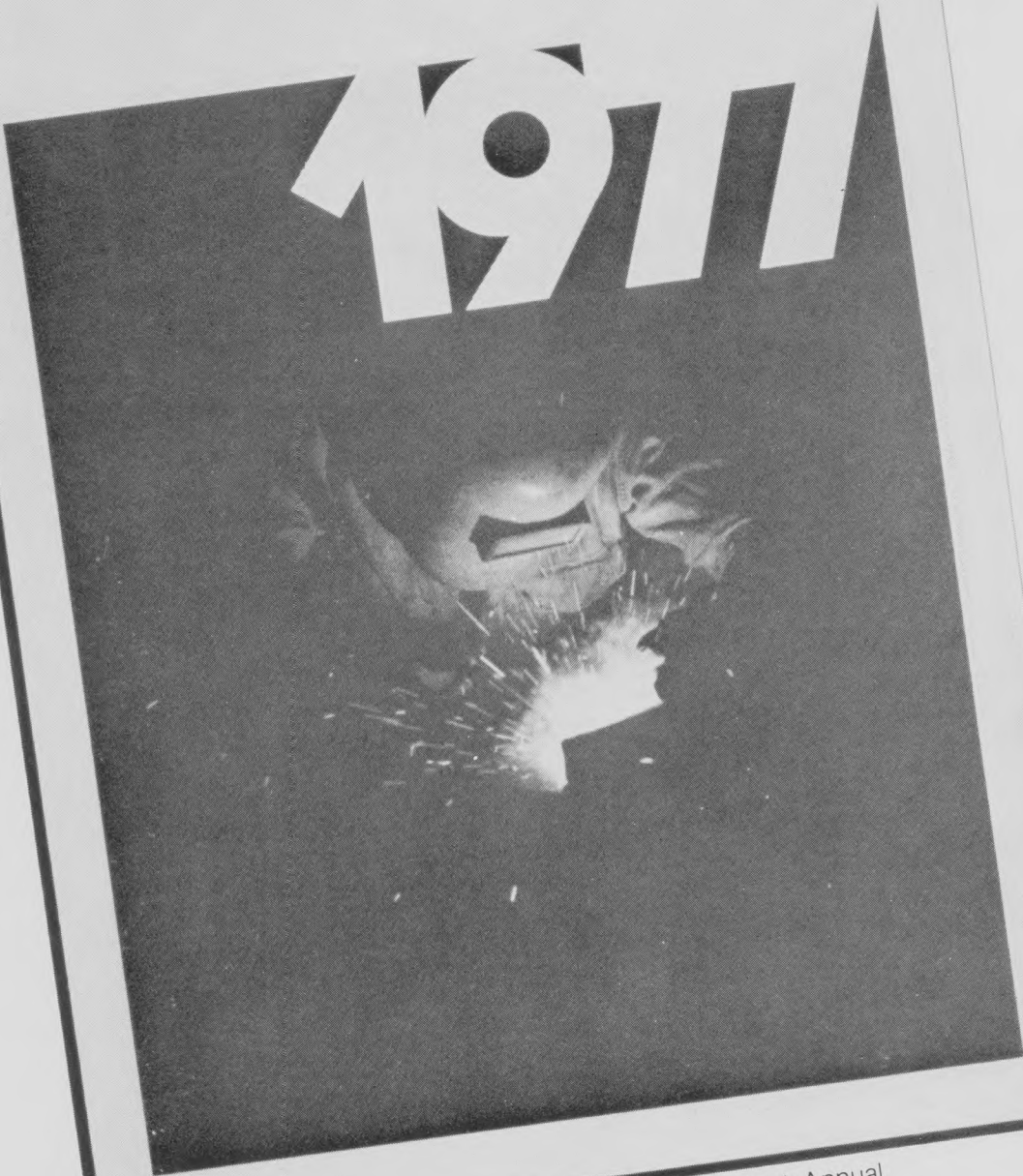
Common Capital	Total
\$810,000.00	Resources
Earned Surplus	Over \$42,000,000.00
\$1,900,000.00	

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Hancock Bank  
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MID-CONTINENT BANKER for May 15, 1978

to expect state legislatures to abolish their own usury ceilings, so if it should turn out that Congress does eliminate Regulation Q so all savers earn the same rates set in the marketplace, it also should have the courage to abolish usury ceilings and let the marketplace set the price on loans rather than having the price be restricted artificially.

## Bad-Check Tips

(Continued from page 20)

the check. However, when that paper is copied, light from a copying machine will activate the chemicals forming the word "void" and the check will be reproduced exactly, but with the word "void" across it.

How about counterfeit bills?

Here comes the copier again. If the new color copying machines can reproduce a check exactly, they can reproduce money, stock certificates and travelers' checks.

But three tests will help you spot a counterfeit bill and any one of them will work. Tellers should choose the one that's easiest and fastest.

First, on the face of a real bill, where the presidential photo appears, there are tiny cross-hatches a counterfeiter cannot adequately reproduce.

Neither can the copying machine produce them. Therefore, the photo on a counterfeit bill usually will contain a gray area. If there are no lines, the bill is a phony.

Second, check at the left of the bill's face for the seal from the Federal Reserve branch where the bill has been issued. If the bill is counterfeited or copied, the spokes of this seal will be slightly rounded—not sharp as on a real bill.

Third, in the upper left corner of the bill's face (and also in the lower right corner) you'll find a capital letter and one or more numbers. The letters and numbers on a real bill are sharply in focus. On a counterfeit or copied bill, they will seem slightly out of focus.

If your teller is still not sure whether a bill is real or counterfeit, the best way to check is to take a bill out of the cash drawer and compare the two. Real money is almost three dimensional in appearance, due to the way the money is printed. There is no way a counterfeiter can reproduce this three-dimensional quality. The minute the two bills are compared, it will become obvious that one is a fake.

Another problem for banks and businesses are invalid personal checks. These checks usually are written by persons who have had their accounts for less than a year, so their checks will usually bear numbers in the 100s. One policy I feel should be instituted in all banks is numbering checks from

101 and up. This policy ought to become a national standard.

It's one of the few ways a merchant or businessman can protect himself from checks that bounce. It helps him judge whether a customer is a risk by how long he's had the account. Of course, we all know that banks do not encourage the writing of checks on accounts with insufficient funds, but it's an established fact that over half the bad checks written on personal accounts are from those who have had their accounts less than a year.

There is another way to make it safe to accept personal checks drawn from other banks, and that is through the check-verification services now available. The advantage of such a service is that the check isn't merely verified, it's guaranteed. If a bad check is presented, and it bounces, such a service will buy that check back, so there is no loss to the bank. And it's good for the consumer, since he knows that if the bank subscribes to the service, he'll be able to cash his personal check whether or not he has an account there.

Banks are making inroads in the loss of revenues through bad checks and counterfeit money, but more has to be done. Tellers must be trained in the art of detecting frauds. It's much better to be protected against losses than to absorb them. • •

■ ROY F. WHITE has been promoted to vice president, Merchants & Farmers Bank, Columbus. Others advanced were: to assistant vice presidents, Jean Sudduth, Ralph Olier and Robert Palmer. Mr. White was vice president. Mrs. Sudduth and Messrs. Olier and Palmer were assistant vice presidents. Mr. Olier is manager, Mid-City Drive-In Branch; Mr. Palmer is manager, Gateway Branch. The bank also elected Lynn Goodman assistant cashier. She is at the New Hope Branch.

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MID-CONTINENT BANKER for May 15, 1978

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# NEWS

## From the Mid-Continent Area

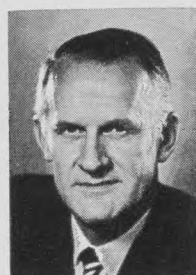
### Alabama

■ UNION BANK, Montgomery, has promoted the following: from assistant vice president to vice president, J. David Golson; from trust officer to vice president/trust officer, James G. Hawthorne Jr.; from installment loan officer to assistant vice president, Paul C. Casey; from assistant cashier to assistant vice president/manager, Eastern Branch, F. Robert Lawson; from assistant trust operations officer to trust operations officer, Melba Burdette; and from assistant trust officer to trust officer, Sarah J. Price.

■ GEORGE C. PIERCE has been promoted to senior vice president at First National, Opp. He was formerly vice president.

### Arkansas

■ WORTHEN BANK, Little Rock, has elected H. T. Herold Jr. to its board. He is vice president, general manager and a director of Teletype Corp., Little Rock.

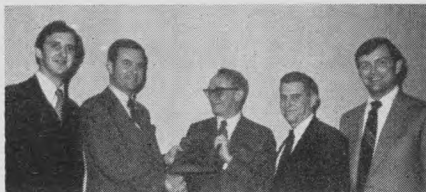


BOWEN

■ WILLIAM H. BOWEN, president and CEO, Commercial National, Little Rock, has been named a member of the Stonier Graduate School of Banking Board of Regents. He is a graduate of the school and serves as a lecturer on banking ethics.

### Illinois

#### 100-Year Correspondent Observed



Willard Bunn Jr. (c.), chairman, Springfield Marine Bank, received plaque observing 100 years of correspondent banking relationship from Dan Jasper (2nd from l.), vice president, Mercantile Trust, St. Louis, recently. At far l. is Robert J. Mathias, banking officer, Mercantile Trust. At far r. is John W. McClure, vice president, Mercantile Trust. At Mr. McClure's r. is J. D. Fagan, president, Springfield Marine Bank.

■ NORTHERN TRUST, Chicago, has announced several promotions, including that of Arthur M. Wood Jr. to commercial banking officer. Mr. Wood is in the southwestern division of the banking department. He joined the bank in 1975, going from R. H. Sterns, Boston, where he was a supervisor.

■ RONALD L. WATSON has joined Belleville National Savings as a vice president. He was formerly with National Stock Yards National, National City.



WOOD



WATSON

### Kansas

■ GARY RESER has joined the Kansas Bankers Association, Topeka, as associate director of public relations. For the past five years, he has been with the Greater Topeka Chamber of Commerce in various capacities as public relations director and manager of the Convention and Tourism Council, Trade-Area Development Council and other activities sponsored by the CofC. Before his affiliation with the latter organization, Mr. Reser was executive director, Kansas Association of Public Employees (KAPE). At the KBA, his responsibilities involve public relations, advertising and public affairs, assisting in editing its monthly magazine, *Kansas Banker*, and other administrative duties.



RESER

■ FARMERS STATE, Yoder, has promoted Reg Gray from cashier to vice president and cashier. He also is a director.

■ FIRST NATIONAL, Chanute, has opened First National/South, which offers sit-down banking in its lobby and two drive-up windows. Promotions at the bank include R. David Bixby and Lou Lucas to vice presidents, Mark Eldridge and Paula Bevans to assistant vice presidents, Marcia Eldridge to assistant cashier and Sharon Trout to assistant supervisor.



Max Dickerson

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MID-CONTINENT BANKER for May 15, 1978



WOOLDRIDGE

WEDAN

STANLEY

BYERLEY

DUGUID

■ JAMES J. STANLEY, head of First National of Wichita's correspondent bank division, has been promoted from vice president to senior vice president. He joined the bank in 1968. Also advanced from vice presidents to senior vice presidents were James L. Wooldridge, Dick Wedan, William A. Byerley and E. A. Duguid. Mr. Wooldridge, also with First National since 1968, continues to work in oil, gas and business lending. Mr. Wedan continues as head of the bankcard division, a post he had held since its inception in 1968. He also has been instrumental in developing Moneycard of Kansas. Messrs. Byerley and Duguid continue as trust officers. Mr. Byerley has been in the trust division 30 years and is a past president of the Kansas Bankers Association's trust division. Mr. Duguid went to First of Wichita in 1953 and is a director of First National, Newton.

## Kentucky

■ FIRST NATIONAL, Louisville, has promoted James E. Bowman Jr. from associate international loan officer to international banking officer; James C. Martin from associate international banking officer to international banking officer; S. Darrel Hollen from assistant operations officer to operations officer; William R. Wilson and Kenneth A. Young from assistant accounting officers to accounting officers; Helen J. Blandford to assistant operations officer; Kathy N. Getsinger to assistant accounting officer and Bluford Tinnell Jr. to associate retail security officer.

■ LIBERTY NATIONAL, Louisville, has announced an interchange agreement with three other Kentucky banks that will permit customers of the participating banks to have card access to Liberty's Money Machine ATMs. The participating banks are Citizens National, Bowling Green; Peoples Bank, Madisonville, and Central Bank, Owensboro.

## Missouri

■ MERCANTILE TRUST, St. Louis, promoted Wayne D. Kerwin and Terrence J. Boyer to vice presidents last month. Mr. Kerwin, who also was made manager, data processing operations, joined the bank in 1965. Mr. Boyer, named manager, information planning/control within the data processing department, has been with Mercantile since 1970.

■ UNITED MISSOURI BANK, Kansas City, has appointed Richard W. Brooks an assistant vice president/commercial division. He formerly was senior vice president/cashier, Farley State. Kenneth F. Harris was promoted to assistant vice president/credit analysis at United Missouri, and Larry E. Franklin was advanced to trust operations officer. J. Roger McDonald, president, Western Auto Supply Co., Kansas City, has been elected to the bank's board.

■ E. RANDOLPH WHITELAW, vice president in charge of the metropolitan division, First National, St. Louis, was promoted to senior vice president last month. Dominic A. Carlucci, Michael E. Jennings and R. Greg Kintz were named assistant vice presidents. Mr. Whitelaw joined the bank in 1968, was named an assistant vice president and opened First National's representative office in Los Angeles in 1974, was elected vice president that same year

and, in 1976, returned to St. Louis to head the newly formed metropolitan division, where his area of responsibility is client services. Mr. Carlucci is with First National's representative office in London.

■ COUNTY NATIONAL BANCORP., Clayton, has completed acquisition of Bank of Louisiana.



■ UNITED MISSOURI BANK, Kansas City, has begun construction on its permanent banking facility at State Line and I-435. The building also will house an office complex and restaurant. The four-story structure will contain 53,000 square feet of space on a three-acre site. The bank's temporary facility on the site will continue to operate during the construction period.

## Oklahoma

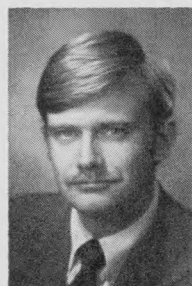
■ BANK OF OKLAHOMA, Tulsa, has elected three vice presidents—Ben Simmons, Glenn Elrod and James N. Young. Mr. Simmons joined BOK in 1972 and currently manages the home loan department. Mr. Elrod, who has charge of designated commercial accounts, was in the office of the regional administrator of national banks in Dal-



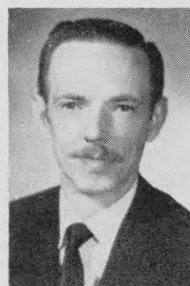
YOUNG



SIMMONS



WHITELAW



KERWIN



BOYER



ELROD

las nine years. Mr. Young returned to BOK's metropolitan department after having been with Tulsa's Republic Bank. He previously had been with BOK four years. The latter bank elected Billie Coffee, trust, and Allen Nelson, data administration, assistant vice presidents.

■ **FIRST NATIONAL**, Oklahoma City, has promoted Dave Gallman and Guy Harrell to senior vice presidents and group managers and elected Ron Burks a senior vice president and group manager. Also promoted were Bruce Williams, to trust investment officer; Edna Blunk, to correspondent banking officer; and Darrell Chambers, to vice president. Raymond Kolker was promoted to vice president and trust officer. Miss Blunk is contact correspondent officer for Oklahoma.

■ **WESLEY C. MOORE**, vice president, Fidelity Bank, Oklahoma City, has been promoted to director of the international banking department. He joined the bank in 1971 and was in the marketing division. The bank has elected William E. Durrett, president, American Fidelity Assurance Co., to its board and to the board of Fidelity of Oklahoma, HC controlling the bank.

■ **LIBERTY NATIONAL**, Oklahoma City, has promoted Leland C. Nelson to vice president in the operations department, Stanley LaChance to assistant vice president in the commercial and construction lending department and G. Steven Puckett to personnel officer. The bank's HC, Liberty National Corp., elected three new directors, including Henry W. Browne Jr., vice president, Oklahoma Coca-Cola Bottling Co.; Dan Hogan III, president, Journal-Record Publishing Co.; and Barth P. Walker, attorney, and president, NFC Petroleum Corp.

## Tennessee

■ **THIRD NATIONAL**, Nashville, has promoted C. Campbell Brown Jr. from real estate officer to vice president/real estate officer, Johnny B. McDonough to administrative assistant and Jean K. Young to operations officer. Mr. Brown joined the bank in 1973 and heads the real estate section of the trust division. Mr. McDonough, with Third National since 1966, is in the stock transfer department. Mrs. Young went to the bank last March as manager/systems programming. She formerly was with National Life & Accident Insurance Co.

**MID-CONTINENT BANKER for May 15, 1978**



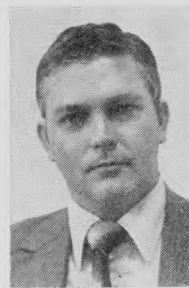
**BLUNK**



**LEACH**



**ANDERSON**



**RODGERS**

■ **THOMAS E. LEACH**, vice president and manager, South Clinton Office, Union Peoples Bank, Clinton, has been elected president of the Smoky Mountain Chapter, BAI. Other new officers include Jane Householder, assistant vice president, Bank of Knoxville—vice president; Bill Carroll, senior vice president and cashier, Citizens National, Sevierville—treasurer, and Ralph Monroe, president, First State, Maynardville—secretary.

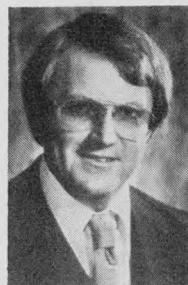
■ **COMMERCIAL & INDUSTRIAL BANK**, Memphis, has promoted John Knowles to vice president, Raymond S. Aycock to assistant vice president and Roberta McMillan to assistant cashier.

■ **BANK OF THE SOUTHWEST**, Houston, has promoted Thiers Y. (Ty) Anderson, Samuel L. Mead and W. E. Rodgers to vice presidents; Ronald J. Karel and Patrick Mountain to assistant vice presidents; Hugh H. MacPherson to trust investment officer, and J. Michael Patton to financial planning officer. Mr. Anderson joined the bank recently, going from First National, St. Louis; Mr. Mead also is new to the bank, going from Arizona Bank, Phoenix; and Mr. Rodgers went to the bank recently from another Houston bank.

■ **CHARLES BOLLS** has been elected senior vice president at First National, Dallas. He joined the bank in 1951 and has headed the item processing group since 1969.

## Texas

■ **PLAINS NATIONAL**, Lubbock, has promoted Jim Ed Waller from president to vice chairman and T. J. Wallace from executive vice president to president. The vice chairman title is new to the bank. Mr. Waller joined the bank in 1955 and Mr. Wallace has been with the bank since 1974.



**VAUGHN**



**BOLLS**

■ **GRADY H. VAUGHN** has been elected to the board of First National, Dallas. He is president, Grayrock Corp., oil and gas exploration firm.

■ **FROST NATIONAL**, San Antonio, promoted six members of its executive committee last month. R. E. Fawcett Jr. moved up from executive vice president to senior executive vice president. Fred C. Lepick was advanced to executive vice president and continues as executive trust officer. Named executive vice presidents were Kenneth A. Trapp, Stephen M. Dufilho, Richard W. Evans Jr. and George C. Mead. Mr. Trapp heads the administrative group. Mr. Dufilho is senior financial officer. Mr. Evans has charge of the banking group. Mr. Mead heads the investment group.

### 50-Year Bankers Honored



**First National, Amarillo, recently honored a group of bankers who have been active in the Texas Panhandle for 50 or more years. They include: (back row, from l.) C. T. Hubbard, Wellington State; Ben Parks, First National, Memphis; Floyd Imel, Citizens Bank, Pampa. In next row are O. R. Stark, First National, Quitaque; Carvin Carlile, First National, Tulia; Raymond Thompson, First State, Vega. In next row are Clay Gibner, First State, Spearman; Ralph Bort, Gruver State; Cecil Culver, State National, Groom. In front row are C. E. Bedwell, Sunray State, and Virgil Patterson, First National, Amarillo.**

## Kansas Banks, S&L Share EFT System Via Topeka Switch

TOPEKA—A group of seven commercial banks in Kansas has teamed up with the state's largest S&L to share an EFT system that supports POS banking transactions through a central switching center in Topeka.

More than 40,000 banking customers in four cities currently have access to the network.

The two systems in the network are the ZIP Card System and the Money-Matic System. The former was developed by Merchants National, Topeka, and the latter is operated by Capitol Federal S&L, Topeka. National Sharedata, which manages the computer operations at Merchants National, designed and implemented the ZIP System for the bank.

The EFT switching network is said to be the first to be interfaced in this fashion, tying in the computer facility of a commercial bank with a like facility at an S&L and accommodating POS banking transactions.

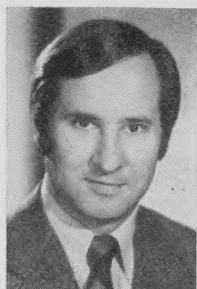
The switching network links National Sharedata's computer facility in Topeka with Capitol Federal's computer facility. National Sharedata's Topeka computer center ties in with 16 ATMs in Topeka, Emporia, Lawrence and Manhattan. Capitol Federal's system ties in with 37 POS terminals in various supermarkets in Kansas.

The interfacing of these systems makes it possible for banking customers of Merchants National and its participating correspondents to make deposits and withdrawals to their checking and savings accounts at Money-Matic terminals.

The ZIP System, operational virtually around the clock, also permits banking customers to conduct banking transactions at unmanned ATMs located in bank lobbies and other sites away from their banks.

To use the ZIP System, customers are provided plastic cards that activate the ATMs, enabling them to make deposits, withdrawals, money transfers, loan payments and account balance requests. They can also leave messages for the bank concerning their accounts.

The system uses Diebold ATMs, most of which are shared by participating banks. The ATMs are proving to be extremely active in the state, especially those located at three major universities. • •



GUDINAS



RETFERFORD

### Gudinas Reelected President, Mid America Payment Exchange

ST. LOUIS—Richard J. Gudinas, executive vice president, Boatmen's National, has been reelected president of Mid America Payment Exchange (MAPEX). The St. Louis-based automated CHA has a membership of 218 banks and 11 credit unions.

Thomas H. Brouster, president, Jefferson County Bank, Hillsboro, and Raymond C. Hutchison, secretary-treasurer, Missouri Corporate Central Credit Union, St. Louis, were elected to the board of MAPEX.

Plans have been announced for the implementation of an inter-regional exchange of electronic payments between automated CHAs. Inter-regional-exchange capability is expected before the end of the year.

### First Shared ATM Facility Opened by Bankmatic System

KANSAS CITY, KAN.—The Bankmatic 24-hour ATM system of Commercial National has been expanded with the addition of a shared unit in Johnson County, Kan. The unit is in the



Standing before free-standing Bankmatic 24 ATM installation in shopping center are Fred A. Dunmire, e.v.p., Commercial Nat'l, KCK; Ben Craig, pres., Metcalf State, Overland Park; and Robert W. Chenoweth, v.p., Commercial Nat'l. Installation is first of series of shared facilities planned for Bankmatic system.

Valley View Shopping Center, Overland Park.

Participating with Commercial National is Metcalf State, Overland Park. The installation is said to be the first of its kind in Kansas. Other shared units are being considered for various locations in eastern Kansas, according to Commercial National.

• **Howard J. Blender Co.** Larry L. Retherford has joined Howard J. Blender Co., Dallas, as vice president of this consulting firm that deals exclusively with banks. He formerly was senior vice president, Central National, Des Moines, Ia. He is a director, National Automated Clearinghouse Association; vice chairman, National ACH legal/legislative committee; chairman, Iowa ACH steering committee, and secretary of the board.

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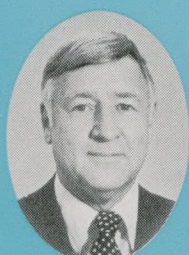
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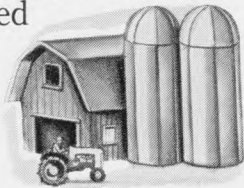
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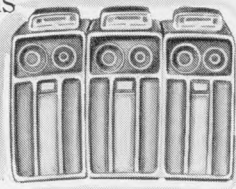
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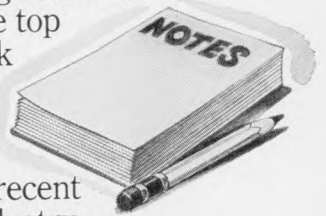
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