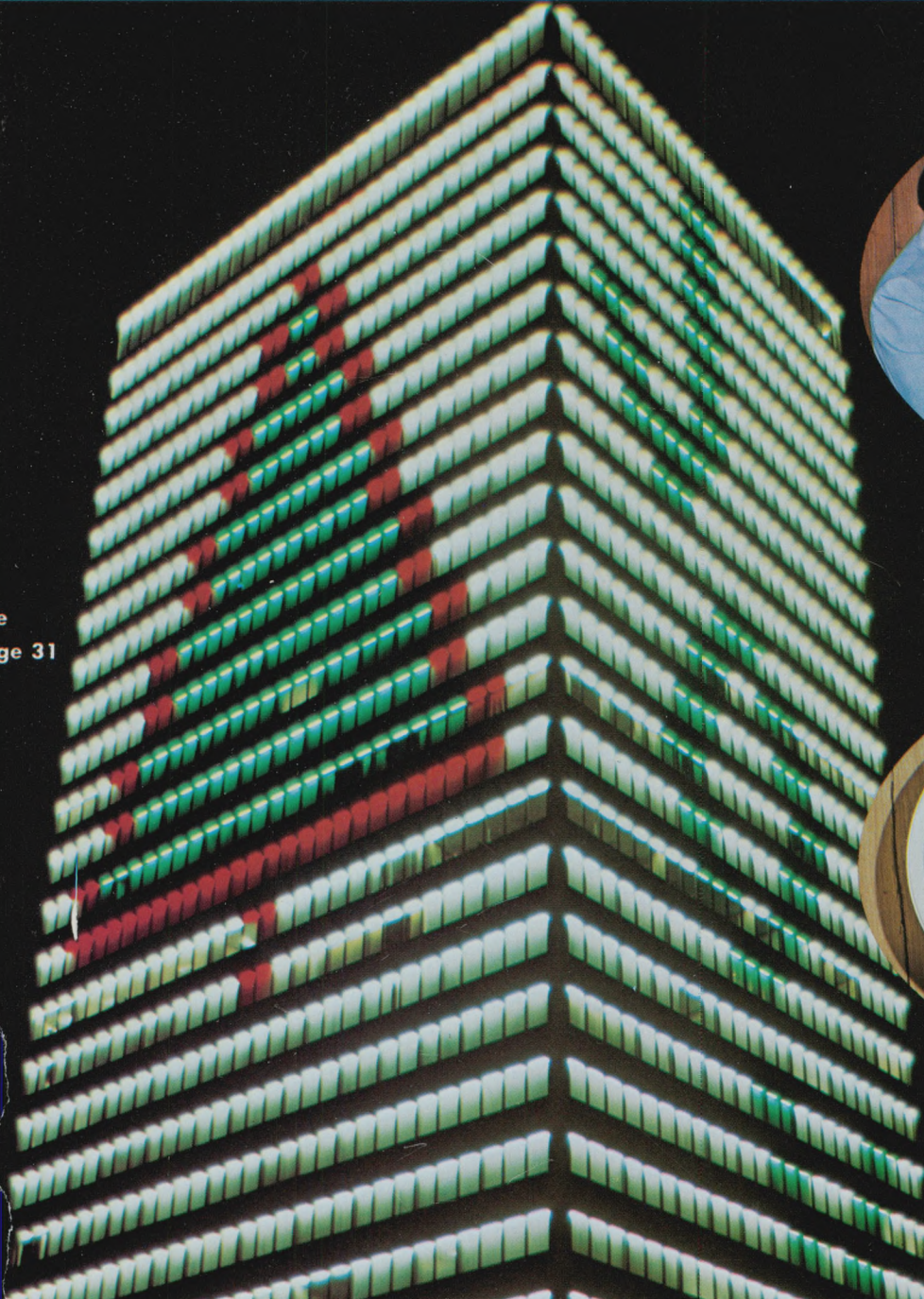


MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest
JULY, 1979

(ISSN 0026-296X)

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Christmas

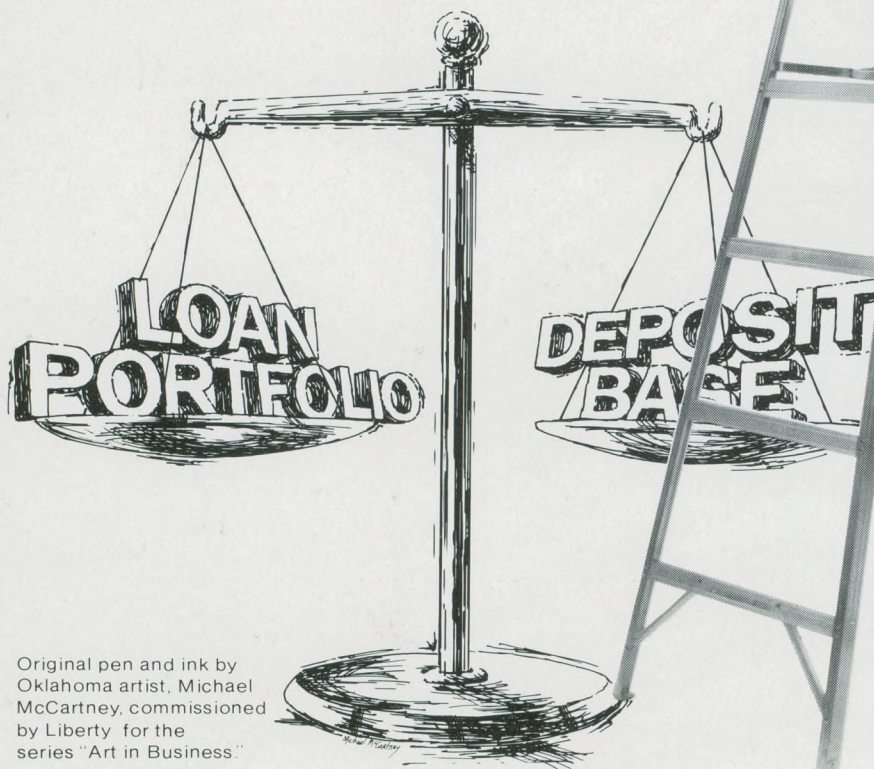
Marketing Issue

The Resource That Balances Problems With Solutions—Liberty Professionals

There are times when some of our correspondents experience liquidity problems. Loan demand has grown faster than the deposit base. Liberty correspondent bankers have the flexibility, competence and authority to help.

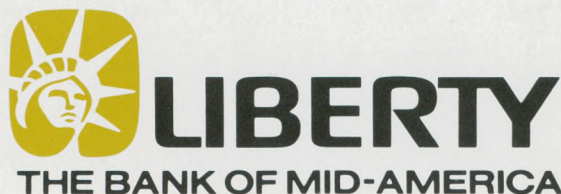
In one recent instance, we purchased participations in our correspondent's loan portfolio which immediately provided the necessary balance. Our customer bank was able to avoid liquidating other profitable investments and continue moving up the earnings ladder.

It's another example of our step-by-step problem solving approach — the mark of the true professional. It also illustrates why we say our correspondents get the benefit of Liberty's billion (plus) resources and **the resource no other bank can give you — Liberty professionals.**



Original pen and ink by Oklahoma artist, Michael McCartney, commissioned by Liberty for the series "Art in Business."

Pat Kelly
Vice-President



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The Financial Magazine of the Mississippi Valley & Southwest

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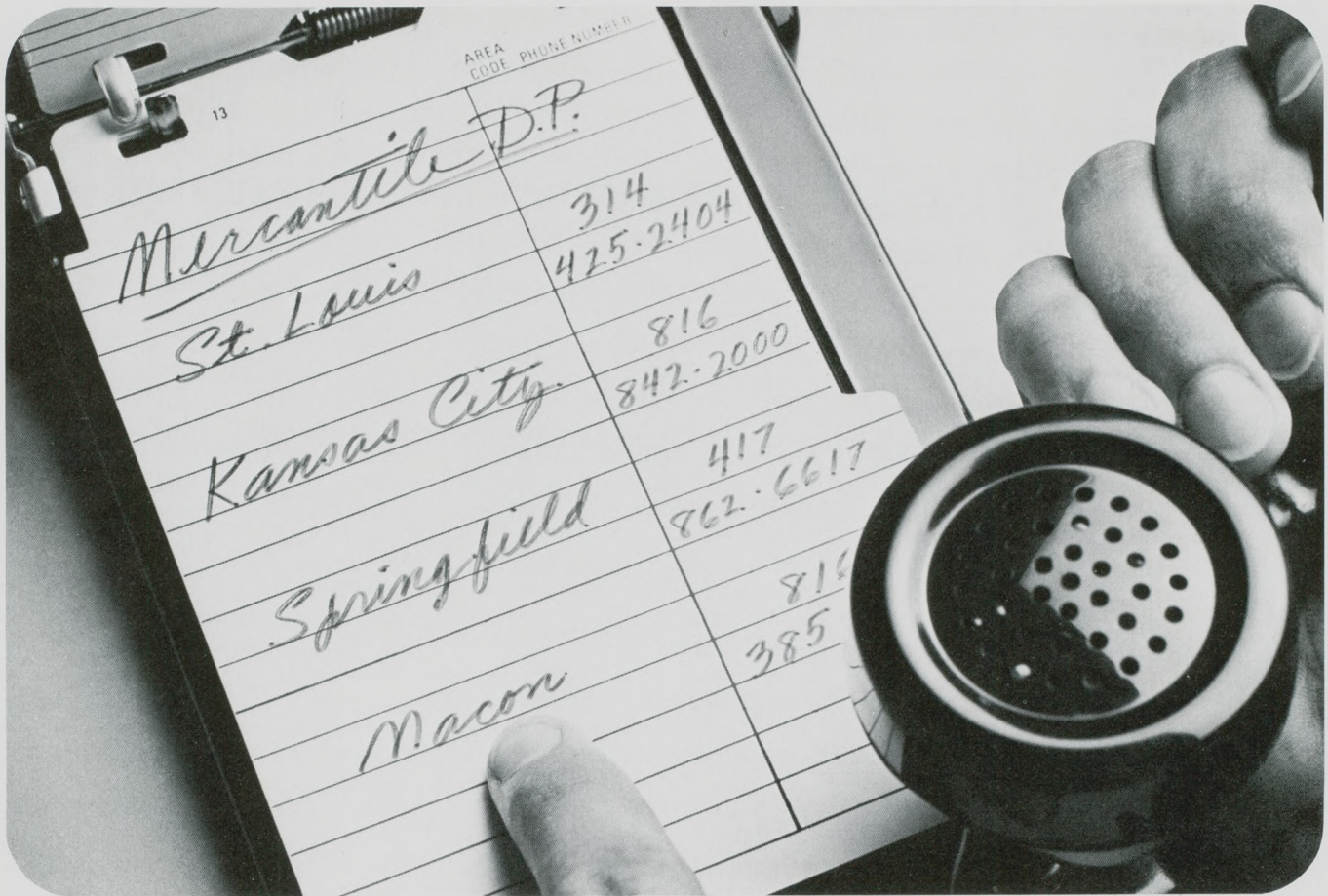
Commerce Publications: American Agent & Broker, Club Management, Decor, Life Insurance Selling, Mid-Continent Banker, Mid-Western Banker and The Bank Board Letter.

Officers: Donald H. Clark, chairman; Wesley H. Clark, president; Johnson Poor, executive vice president and secretary; Ralph B. Cox, first vice president and treasurer; Bernard A. Beggan, William M. Humberg, James T. Poor and Don J. Robertson, vice presidents; Lawrence W. Colbert, assistant vice president.

- July 15-17: ABA Advanced Secondary Mortgage Market Workshop, Chicago, Drake Hotel.
- July 15-19: ABA National Government Affairs Conference, Washington, D. C., Capital Hilton.
- July 21: AIB District Leaders Conference, Merrillville, Ind., Merrillville Holiday Inn.
- July 22-28: ABA Business of Banking School, Ithaca, N. Y., Cornell University.
- July 29-Aug. 10: Bank Administration Institute/School for Bank Administration, Madison, Wis., University of Wisconsin.
- July 29-Aug. 12: Consumer Bankers Association Graduate School of Consumer Banking, Charlottesville, Va.
- Aug. 5-10: ABA National School of Real Estate Finance, Columbus, O., Ohio State University.
- Aug. 11-17: Bank Marketing Association Management School of Bank Marketing, Madison, Wis., University of Wisconsin.
- Aug. 12-25: Central States Conference Graduate School of Banking, Madison, Wis., University of Wisconsin.
- Aug. 13-24: ABA National Trust School/National Graduate Trust School, Evanston, Ill., Northwestern University.
- Aug. 19-25: ABA Business of Banking School, Knoxville, Tenn., University of Tennessee.
- Aug. 26-31: Graduate Institute of Bank Marketing, Baton Rouge, La., Louisiana State University.
- Aug. 26-Sept. 1: Independent Bankers Association of America Senior Bank Officer Seminar, Boston, Harvard Graduate School of Business.
- Sept. 1-4: 37th Assembly for Bank Directors, Vancouver, B. C., Bayshore Inn.
- Sept. 9-11: Kentucky Bankers Association Annual Convention, Louisville, Galt House.
- Sept. 9-14: Robert Morris Associates Loan Management Seminar, Bloomington, Ind., Indiana University.
- Sept. 11-14: ABA Bank Card Convention, Los Angeles, Century Plaza.
- Sept. 16-19: ABA National Personnel Conference, Washington, D. C., Capital Hilton.
- Sept. 16-28: ABA National Installment Credit School, Norman, Okla., University of Oklahoma.
- Sept. 19-20: Association for Modern Banking in Illinois annual convention, Chicago, Continental Plaza Hotel.
- Sept. 23-25: ABA Loan Administration/Servicing Seminar, St. Louis, Sheraton-St. Louis Hotel.
- Sept. 23-26: Bank Administration Institute Conference on international accounting, auditing and tax issues, Miami, Omni International Hotel.
- Sept. 23-26: Bank Marketing Association annual convention, New Orleans, New Orleans Hilton.
- Sept. 23-27: Bank Administration Institute EDP audit conference, Chicago, Continental Plaza Hotel.
- Sept. 26-28: Conference of State Bank Supervisors District IV meeting, Santa Fe, N. M., Inn at Loretto.
- Sept. 30-Oct. 3: Bank Administration Institute community bank presidents' forum, Colorado Springs, Colo., the Broadmoor.
- Oct. 6-10: ABA annual convention, New Orleans.
- Oct. 21-24: Bank Marketing Association corporate marketing conference, Atlanta, Peachtree Plaza.
- Oct. 21-24: Consumer Bankers Association annual convention, Hot Springs, Va., The Homestead.
- Oct. 21-Nov. 1: ABA National Commercial Lending School, Norman, Okla.
- Oct. 22-23: Robert Morris Associates Loan Quality Control Workshop, Kansas City, Alameda Plaza.
- Oct. 24-26: Robert Morris Associates/Bank Administration Institute Seminar on audit perspectives of loan review, Kansas City, Hilton Airport Plaza Inn.
- Oct. 24-27: 38th Assembly for Bank Directors, White Sulphur Springs, W. Va., The Greenbrier.
- Oct. 31-Nov. 2: ABA International Operations Workshop, Chicago, Water Tower Hyatt House.
- Nov. 4-6: ABA Underwriting Clinic, Chicago, Marriott O'Hare.
- Nov. 4-8: Bank Administration Institute annual convention, Los Angeles, Bonaventure Hotel.
- Nov. 7-9: Association of Bank Holding Companies fall meeting, Tarpon Springs, Fla., Innisbrook.

MID-CONTINENT BANKER for July, 1979

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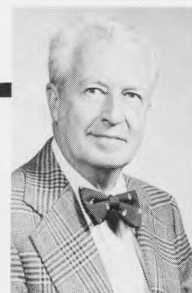
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The Banking Scene



By Dr. LEWIS E. DAVIDS

Illinois Bankers Professor of Bank Management
Southern Illinois University, Carbondale

The Decline of Currency in Circulation

A DECADE ago, there was tremendous discussion of the "cashless society." Its proponents envisioned the credit card would replace checking and currency in financial transactions, but by the early 1970s plastic-money euphoria had dissipated and the "less cash society" came into being.

The facts show that, though there has been a surge in the growth of credit cards, checking-account use, too, has grown. A recent Chicago Fed study observed that for every man, woman and child in this country, more than \$500 of currency was in circulation.

The next time you take a coffee break with friends, check this out. I did this recently with a group of college professors, whose wallets held an average of about \$35. College professors may not be a representative sample, but their wallet holdings make it hard to believe the "average" person has \$500 in currency in his or her possession.

The average life of a circulating dollar in the 1930s was just over three years. By 1976, it was about five and one-third years. These figures, based on the Fed's currency redemption, indicate currency is wearing out more slowly now than it did four decades ago. Its longer life could mean a drop in the number of cash transactions.

Having recently returned from Europe and Africa, I have made this observation of the U. S. dollar: even though it is weak in many nations, large amounts of our money are being hoarded by foreigners. The willingness of merchants to, in effect, give a premium for U. S. money over some domestic currencies confirms this.

Financial observers should not discount the effect of the black market — gambling, drugs, anti-social activities, etc. — on currency in circulation. The

current gasoline shortage is one example. Undoubtedly, where price arbitrarily is held down by government regulation below what drivers, though unhappily, are willing to pay, there is likely to be an increase in currency use to obtain gasoline on the black market. In comparison, during World War II rationing, there was an increase in currency in circulation, especially in large-denomination bills.

The 1940s increase partly was due to low interest rates, a condition in contrast to today's economic conditions: high interest rates, higher rate of inflation and easy accessibility of goods (except gasoline). The Europeans solved their problems of a bloated money supply by recalling the currency.

How much currency in circulation actually is being circulated on a day-to-day basis, not just kept by foreigners and criminal elements in questionable savings storehouses?

The Institute of International Finance, which I served as research associate during the 1940s, discussed the implications of the United States taking similar steps to identify holders of illegally earned currency. The topic never has been seriously considered; a recall is not a simple task. But how much currency in circulation actually is being circulated? That is, how much is used on a day-to-day basis, not just kept by foreigners and criminal elements in questionable savings storehouses?

The United States is unlikely to call in its currency, but it is interesting to speculate on the effect of such an action. Certainly it would put a burden on commercial banks and result in a

curtailment of currency-in-circulation volume. However, a supporting factor for recall is that there now is more currency outstanding in \$100 denominations than in any other; the average person rarely sees this size note.

Recently, several bankers were charged for not reporting large currency transactions. In one case, involving a Texas bank, failure to report a cash transaction, evidently drug-related, resulted in the banker's felony conviction.

No one knows the extent of illegal transactions in this country. Estimates range from 5% to 10% of our GNP, or between \$100 billion to \$200 billion. Would a recall of the currency, with all of its problems, be more costly considering the benefits that would develop?

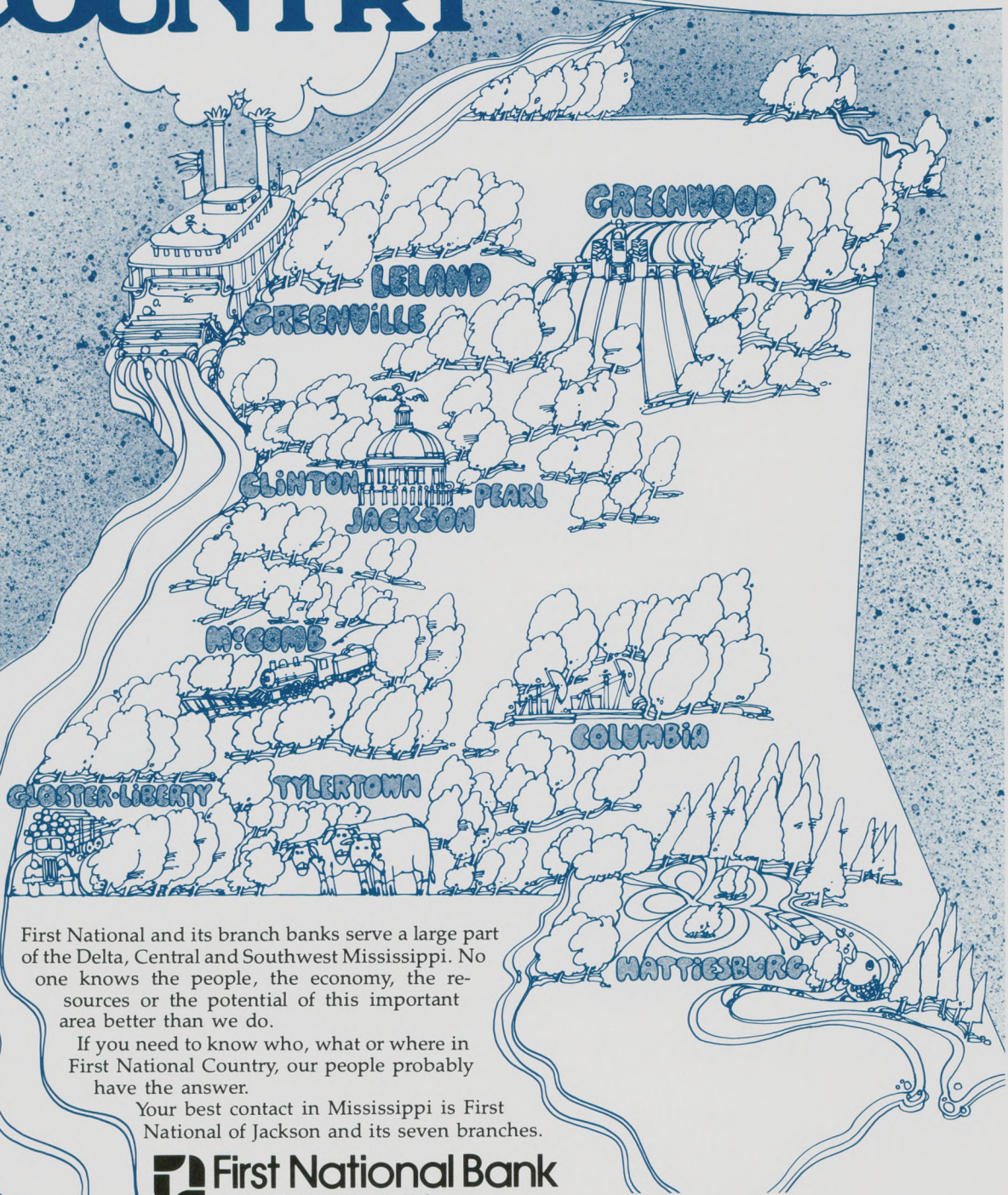
Some of these benefits are 1) removing a significant amount of funds from organized crime; 2) embarrassing large tax evaders, who would have to justify their relationship of currency to their tax returns; 3) deflating the economy or slowing the inflationary spiral. On the other hand, a recall could embarrass many foreigners who have put their trust in the U. S. dollar, often against their own nations' laws.

Probably an even more important factor to consider would be the unwillingness of foreigners to hold U. S. dollars in the future, but France's and Great Britain's experiences do not show this to be permanent. Obviously, dollars held legally would be exchanged for new currency. But those violating their countries' laws, evading taxes or engaging in illegal activities would no doubt shy away from being caught in similar circumstances again.

Bankers, however, may find a recall would put them in an unenviable position — having to deal with bribery to launder their customers' currency conversions. ●●

MID-CONTINENT BANKER for July, 1979

FIRST NATIONAL COUNTRY



First National and its branch banks serve a large part of the Delta, Central and Southwest Mississippi. No one knows the people, the economy, the resources or the potential of this important area better than we do.

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Your best contact in Mississippi is First National of Jackson and its seven branches.

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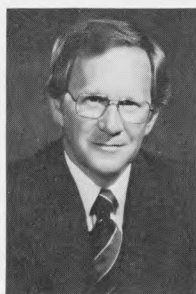
BRANCHES: Amite County Bank, Gloster/Liberty; Citizens Bank of Hattiesburg, Hattiesburg; Columbia Bank, Columbia; Commercial National Bank, Greenville/Leland; First National Bank, McComb; The Bank of Greenwood, Greenwood; Tylertown Bank, Tylertown

NEWS OF THE BANKING WORLD

• **C. J. Medberry**, chairman, Bank of America, San Francisco, has been named to a major planning role for BankAmerica Corp., and Bank of America. Leland S. Prussia, vice chairman and cashier, will assume Mr. Medberry's responsibilities as head of the bank's world banking division. Samuel H. Armacost, executive vice president/head of the Europe, Middle East and Africa division with London headquarters, will assume Mr. Prussia's responsibilities as cashier.

• **Nominees** for 1979-80 officers and directors of Bank Marketing Association are as follows: president — Norwood W. Pope, vice president/marketing, Sun Banks of Florida, Orlando; first vice president — Ronald E. Hale, executive vice president, City National, Bryan, Tex.; second vice president — Leonard W. Huck, executive vice president, Valley National, Phoenix; and treasurer — Barry I. Deutsch, manager/information and planning, Mellon Bank, Pittsburgh. Director nominees are John V. Egan Jr., vice president/director of corporate communications, Continental Illinois National, Chicago; James P. Kovach, vice president/director of marketing, BancOhio/Akron National; Mrs. Joyce Healy, vice president,

Manufacturers Hanover Trust, New York City; Robert E. Jordan, vice president, Mountain States Bank, Denver; Betty Sanderson, senior vice president/director of marketing, First National, Pulaski, Tenn.; and Frank Wallace, president, Community Bank of Lafourches, Raceland, La. The new BMA officers and directors will take office during the group's 64th annual convention September 23-26 in New Orleans.



NORTON

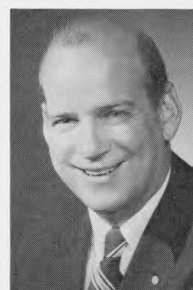


RUTLAND

• **George D. Norton and George P. Rutland** have been elected chairman and vice chairman, respectively, of Payment and Administrative Communications Corp. and Payment and Telecommunication Services Corp., the membership and operating companies that run BankWire. BankWire is the principal independent electronic

funds transfer system used by banks in the U. S. today. It handles about 18,000 transactions daily totaling over \$15 billion for its 187 members. Mr. Norton is executive vice president/cashier, Philadelphia National. Mr. Rutland is executive vice president/cashier, Crocker Bank, San Francisco.

• **Frederick Deane Jr.**, chairman, Bank of Virginia Co., Richmond, has been elected chairman of the Association of Bank Holding Companies. Mr. Deane has been in banking for more than 25 years, all at Bank of Virginia. He spearheaded the formation of his bank's holding company and was elected its president in 1965. Donald L. Rogers, Washington, D. C., was reelected the association's president. Paul Mason, chairman, First United Bancorp., Fort Worth, Tex., was advanced to chairman-elect and will be in line to succeed Mr. Deane next year. Richard L. Thomas, president, First Chicago Corp., was elected vice chairman.



DEANE



MASON

• **Detroitbank Corp.** has filed application with the Florida Department of Banking and Finance to establish a subsidiary trust company there. If approved, the subsidiary, to be called the DBT Trust Co. of Florida, will open an office in the Arvida Financial Plaza, Boca Raton, in 1980.

• **William R. Moroney** has been named director of communications for the National Consumer Finance Association (NCFA), national trade association representing the nation's finance and industrial banking companies. Prior to joining NCFA, Mr. Moroney was assistant director of public relations, American Bankers Association.

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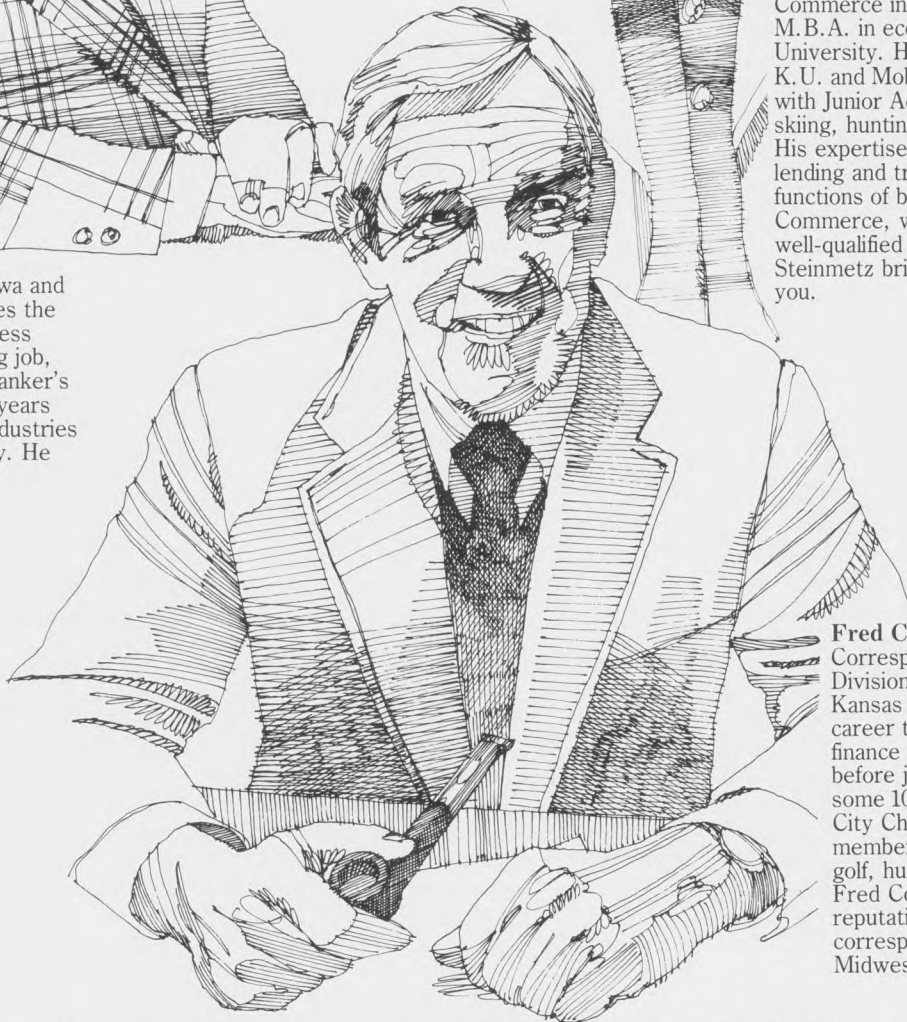
Get to know your Commerce banker.



Ed Lewis travels Iowa and Nebraska and manages the Commerce Agribusiness Department. It's a big job, but this Commerce banker's background includes years with Oppenheimer Industries and Swift & Company. He knows the territory. This Marine Corps Reserve colonel is one of the Midwest's most knowledgeable, experienced agribusiness bankers. Whenever you need him, Ed Lewis is ready to help.



Mike Steinmetz joined Commerce in 1975, after taking his M.B.A. in economics at Kansas University. He has worked for K.U. and Mobil Oil. He's associated with Junior Achievement and likes skiing, hunting and water sports. His expertise includes both the lending and transit operations functions of banking. At Commerce, we're glad to have well-qualified bankers like Mike Steinmetz bringing our services to you.



Fred Coulson heads our Correspondent Banking Division. He's a University of Kansas graduate whose career took him to the finance and insurance fields before joining Commerce some 10 years ago. A Kansas City Chamber of Commerce member, Fred enjoys tennis, golf, hunting and sports. Fred Coulson has the reputation as "the dean of correspondent bankers in the Midwest."

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MID-CONTINENT BANKER for July, 1979

Employee Knowledge About Services Increased Through Monthly Meetings

TO INCREASE cross-selling opportunities and employee knowledge about the bank's products and services, National Bank of Commerce, Memphis, has started a monthly information series for employees.

Other reasons for implementing this nine-seminar series are personal job-enrichment opportunity for employees and to help them avoid possible embarrassing situations when questioned by customers about products and services.

"Like a peddler's wagon full of items, we have a large number of products and services for sale at NBC," said Paul Calame, first vice president/branch administration and a session speaker. "That's why we're encouraging our employees to learn about those products."

Incentive awards are part of that en-

couragement. Employees who attend seven sessions will be rewarded with a day off with pay. In addition, those attending all sessions will become a member of the Chairman's Club, receive a certificate of achievement and be eligible for a drawing for a color television set.

Each month, specialists from various banks will address different topics.

Those topics include installment credit, checking and savings accounts, CDs, mortgage loans, credit cards, traveler's checks, cashier's checks, safe deposit boxes, human relations, investments, trusts, individual retirement accounts, deposit gathering and prospecting.

Sessions will be held before and after office hours at the main office and a branch and in the afternoon in the proof transit department. ●●

Bank Marketing Institute Set

The Graduate Institute of Bank Marketing will hold its third session August 26-31 at Louisiana State University, Baton Rouge.

Sponsored jointly by the University of Southern California and Louisiana State University, the institute consists of two intensive one-week sessions held a year apart. Between sessions each bank marketer completes a comprehensive marketing plan for his or her bank as part of the course work.

According to Dr. William F. Staats, Louisiana Bankers Association professor of banking at LSU, the Institute grew out of the need for banks in the increasing competitive environment to adopt effective marketing techniques applied in other industries.

For more information, write the Graduate Institute of Bank Marketing, P. O. Box 17390, Baton Rouge, LA 70893.

Guessing Game:

Bank Gives Away Nassau Trip To Celebrate 25th Birthday

To celebrate its 25th anniversary in banking, Bank of St. Ann, Mo., held a guessing contest, hosted a birthday party and gave away free gifts.

Top prize in its "Guess How Many Silver Coins in a Jar" contest was a one-week trip for two to Nassau, Bahamas. It was won by a medical student whose entry was only 17 coins away from the actual total.

Second prize was a \$100 savings account and third prize, a \$25 savings account. Both winners were within 100 coins of the total.

According to Richard J. Pflieger, president, there were between 15,000-16,000 coins in the jar. However, no one in the bank knew the actual amount because six different persons put the coins in sealed boxes and then put part of the money — handful by handful — into the approximately three-foot-high jar. Coins remaining in the boxes were sealed and placed in the safe. They were not counted after the jar was filled.

The contest generated customer interest and was open to the public.

More than 3,500 entries were made. About 8% were within 1,000 of the actual number of coins.

Also, the 25-year-old bank gave gifts to customers celebrating their 25th wedding anniversary, 25th year in business or their 25th birthday.

In addition, the bank held a two-day open house and gave away gifts to adults and balloons to children.

Getting to Know You:

Customer Newsletter Spots Bank Services, Employees

To promote communication between the bank and its customers, First National, Neodesha, Kan., has introduced a customer newsletter.

"In the future, we hope to utilize it as a means of surveying certain customer service areas of our bank," says Franklin C. Miller, assistant vice president.

The bank's services, employees, community news and specific financial information are highlighted in each issue. Its first issue featured the bank's "employee of the year," an article on the bank's estate planning seminar and a feature about a man who has been a bank customer for 62 years.

A bank employee collects news items and puts them in rough-draft form. Then the bank's agency completes the bimonthly newsletter.

Copies are mailed to checking-account customers with their statements and are placed in the bank's lobby for the public.

Foliage Follies:

Plant Paraphernalia Given In Spring Premium Campaign

A free plant seminar was part of a premium campaign called "Spring Greening" at Fort Worth Bank. Plant Pro Ricks H. Pluenneke, plant-science consultant and author of "The Plant Pro" column, which appears in newspapers and magazines in the South and Southwest, spoke on greening tips for garden and home.

The bank also gave free houseplants to customers depositing specified amounts in new or existing accounts. Additionally, everyone visiting the bank during the celebration could register for a drawing for an 8x11-foot redwood and glass greenhouse.

During the plant seminar, the public was invited to bring problem plants for individual diagnoses and prescriptions.



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Make Appointments to Sell to Customers

By JOHN R. GINSLER

President
Financial Training Resources
Glen Ellyn, Ill.

ONE WAY to make more productive use of limited selling time is to set up each sales call with an appointment.

Advantages of Appointments. Prefacing sales calls with appointments can improve the productivity of your selling efforts in the following ways:

- Enables the customer to allocate sufficient time in his schedule for your sales call.
- Helps the customer plan his time so that time-consuming and distracting interruptions can be avoided or held to a minimum during the sales call.
- Enables you to better organize and direct your own time toward the accomplishment of specific results.

"Requesting an appointment is nothing more than a mini-sale of getting a prospective customer to allow sufficient time to discuss his needs and how you can help them."

- Helps ensure that the customer will be there when you make the sales call, avoiding the need for time-consuming and costly callbacks. With the average cost of making a sales call now totaling more than \$90, this is not an insignificant advantage.

- Helps establish a climate of mutual respect. Sales calls made on a drop-in basis show little regard for the value of the customer's time, and leave him with an impression of being treated as an afterthought. Also, they suggest that you don't have much regard for your own time, causing customers to question your professional credentials. On the other hand, when you seek an appointment, you are saying in effect — "I respect the value

of both your time and mine. This is why I'm seeking a place on your schedule."

- Enables you to use sales call time more productively, since initial receptivity can be cultivated when seeking the appointment. This permits you to move more quickly to define customer needs and explain need-satisfaction during the sales call itself.

Mental Barriers to Seeking Appointments. In spite of the advantages, many bankers are reluctant to seek appointments. They make most of their calls on a drop-in basis with a resultant loss of time and effort. The following mental barriers appear to be the underlying causes of this reluctance:

1. It's much easier to be turned down by the prospect over the phone because of the phone's impersonal character than when the call is made in person. There is some truth to this, since all a prospect need do to cut you off over the phone is hang up. Also, when you make a call in person, most prospects will not be totally rude and refuse to see you. However, it's important to recognize that seeing you, and being willing to devote sufficient time and attention to what you're communicating, are two entirely different matters. This is why even though there is a risk of rejection when you seek an appointment, it's worth the effort to set a proper and professional environment for subsequent calls.

2. Calling for an appointment may cause the prospective customer to prepare his mental defenses and resistance. Some feel it's better to catch him "cold" and unaware. If you view selling as a game concerned with outwitting the other person, I suppose there might be some merit to this argument. However, when you view selling in the professional terms of helping the prospect achieve financial goals, solve financial problems, or im-

prove financial practices and performance, then there is every reason to give the prospect time to mentally prepare for the call. If that should include thinking up questions or resistance, all the better, since that will provide a sounder basis for effective two-way communication.

3. Making appointments restricts your time and limits your flexibility. This can happen only if you make unrealistic time allocations for each appointment, and do not allow adequate breathing space between sales calls for interruptions and contingencies. A primary advantage of setting appointments is that it permits you to schedule and plan the time needed for your

"Precede phone call with a preliminary letter. This preliminary letter enables you to identify yourself and your bank and to indicate briefly why and when you'll be calling."

business development efforts.

Why Getting Appointments Need Not Be Feared. Seeking appointments is much easier than you might think. In fact, the banker has a much easier time getting appointments than other types of sales people for several reasons:

1. There is a universal interest in and need for the basic benefits you can supply — making, saving, and managing money — that helps generate initial receptivity and paves the way for an appointment just to see what you can provide.

2. You are perceived as a professional, rather than as a "salesman." Hence, there are fewer defensive reactions to your appointment request. In

(Continued on page 67)



**If you turn off customers
because you can't handle mixed coin,
it's time for you to...**

Count on Brandt[®] to do it automatically!

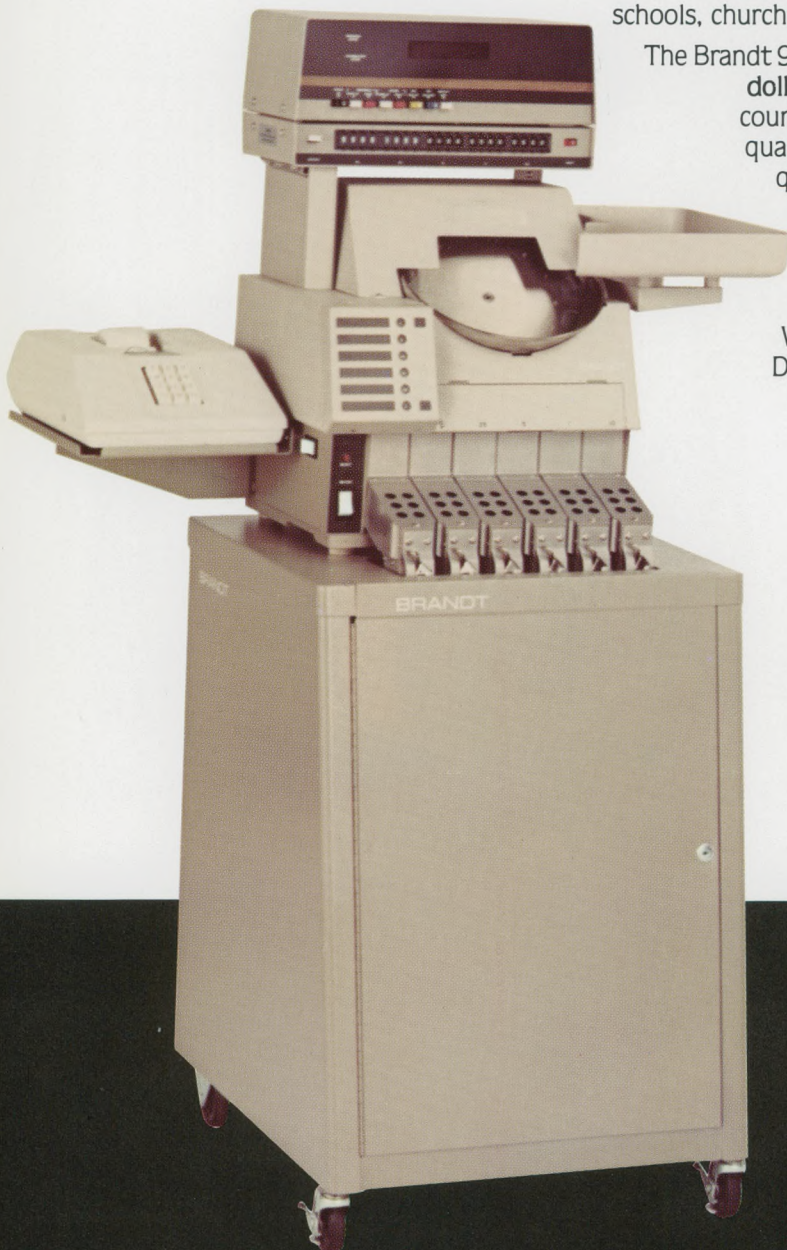
Model 956 Sorter/Counter

The Brandt 956 coin sorter/counter helps you give your customers the best possible coin service. You can actually invite them in to have their coins sorted, counted and very likely deposited!

Improve your coin service and you'll build your coin business! Attract new accounts — vendors, retailers, concessions, schools, church groups — anyone who handles quantities of coins!

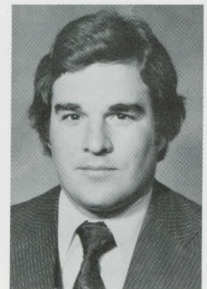
The Brandt 956 counts all coin denominations including the new dollar coin! It's fast, accurate and easy to operate. It counts up to 600 coins per minute. Predetermined bag quantities can be selected for pennies, nickels, dimes, quarters and the new dollar coins." The 956 automatically totals them and deposits them into bags. It's reliable, too . . . designed with plenty of back-up features! Automatic Bag Stops . . . Night Sentry Switch . . . Standby Power and more!

Want to improve your coin service for customers? Depend on the Brandt 956 sorter/counter to do it quickly, reliably and efficiently.



Joseph M. Farrell
Tulsa, Oklahoma
918-492-8163

I'm your Brandt authorized District Manager for Oklahoma, and proud of it. Our quality products and extensive service network are just two reasons why Brandt remains the undisputed leader. Call me for more information.

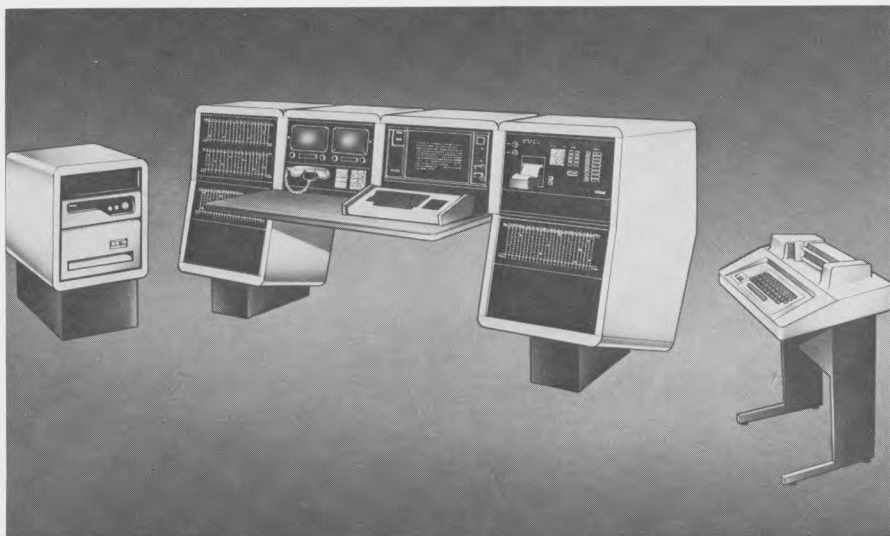


Brandt Systems



Brandt, Inc. Watertown, WI 53094
Brandt[®] Cashier[®] Countess[®]

Two-Way Branch-Monitoring System



This Mosler modular BRM-2 unit provides two-way monitoring for one branch or any number up to 256. Shown is a system using teleprinter, computer and disc and BRM-2 console.

A TWO-WAY branch-monitoring system that uses a combination of multiplexing for telephone-line reduction and high-line security has been introduced by Mosler Safe Co., Hamilton, O. Its modular design allows the system to be installed at a small branch and, as needs arise, economical additions may be made all the way up to 256 branches monitored from the

central-monitoring unit (CMU), according to Product Manager John Kondel.

The system was designed for large and small banks that have complex security problems. It has a two-way communications feature for security commands and a console guard, which can call for status checks from any monitored area at any time. The com-

plete scan time for a 256-branch system is 8½ seconds.

Other features of the security system include low power consumption, easy adaptation to most data networks using dual-channel modems, monitoring ability from any point (vaults, fire-reporting systems, heating or air-conditioning units), Underwriters' Laboratories certification, three levels of line security, total turnkey operation and easy servicing.

The central monitoring unit communicates via readily available telephone line networks. In case of a malfunctioning line, the line is isolated from the rest of the system until service is restored. After the problem is corrected, the system will report and record changes of status while the branch was disconnected.

The unit also comes with an auto-disconnect, which activates if a remote-terminal unit fails to communicate with the central unit. A backup mode is available to transmit the alarm to the control console at this time, and the mode has codes, which change frequently and automatically. The unit also is equipped with an "ambush" setup to give added protection from terrorists. ●●

New Security Measures Instituted Following Robbery at Bank's ATM

CUSTOMERS are demanding increasing levels of banking service, and ATMs, especially those off-site in shopping malls and grocery stores, are an economic way to provide 24-hour-a-day, seven-day-a-week service.

Yet these same off-site ATMs give bank security analysts some of their biggest headaches. Free-standing off-site units, in particular, are inviting targets for fraud and robbery. "Those are the type that give us the greatest concern," Mike Houseal, spokesman for First Tennessee Bank, Memphis, says.

First Tennessee's concern was justified. On March 31, as a lone woman

employee entered a free-standing ATM to fill the unit for weekend usage, a robber surprised her, taking about \$87,000. The unit's rear door was not protected by a security camera.

Bank executives acted quickly to tighten security, instituting a number of procedures almost immediately. "At this point," Mr. Houseal says, "we feel we've taken the immediate necessary steps," although he declined to reveal what new security measures were being initiated.

"We learned one thing: the significance of a statistical probability," he said. "Any statistical possibility should have told us there was a probability that a given event could happen. The

things that may not seem economic to guard against are the things that will happen.

"Some people are extremely bright out there," Mr. Houseal says, and are able to devise ways to breach even the most well-thought-out security system. "The thing which is least probable can happen."

The \$1.1-billion-deposit First Tennessee operates 16 ATMs in the Memphis area, including five free-standing units. ●●

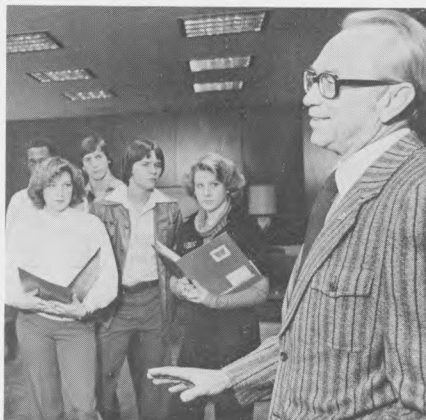
Community Involvement

Free-Enterprise Lessons for Students

FIRST GUARANTY Bank, Hammond, La., has begun an annual Young Bankers Program, an educational plan to teach outstanding area high school students about the American free-enterprise system and about banking services available to businessmen.

The program, developed for seniors who have demonstrated leadership potential and who have good grade averages, was started in support of the Community Reinvestment Act and in conjunction with the Louisiana Free-Enterprise Act, an ordinance that requires high school students in the state to study America's free-market economy.

Representatives from each Tangipahoa Parish high school meet once a month in the bank's main office to be instructed on banking topics, such as checking and savings accounts, consumer and commercial loans, trusts, credit cards, credit, mortgage loans,



Warren H. Wild, pres., First Guaranty Bank, Hammond, La., explains Young Bankers Program to participating high-school seniors. Program was begun in cooperation with Community Reinvestment Act and Free-Enterprise Act and teaches fundamentals of free-market economy and banking principles.

computers, investments, marketing and banking careers. Students express their opinions or ask questions and then report what they learn to their classmates when they return to their schools.

The program was initiated by direct-mail correspondence and informal telephone conversations. In addition, it was publicized in all local and parish papers.

Goodwill was a major outcome of the program, says Kathy L. Pittman, marketing representative. Many of the students sent personal thank-you letters to the bank or have maintained contact with bank personnel. Although the bank didn't intend the sessions to generate new bank business, the rapport between the community and First Guaranty leads banking officials to believe there will be future business results, with participating students the "core" of the successful Tangipahoa Parish business world. ●●

Tom Sawyer Revisited:

Designer Fence Painted By Area Art Students

Art students from the Visual and Performing Arts High School, St. Louis, have been contracted by First National to make a masterpiece of the fence surrounding its new building construction site. Using 150 cans of paint in earth-tone colors, students painted the fence around three sides of a city block in 50-foot continuous designs.



Clarence C. Barksdale (with brush), ch., First National, St. Louis, gets brush off to officially begin fence painting around bank's new location site. Students of Visual and Performing Arts High School painted during school time as part of class assignment.

The graphic design, chosen to best represent a three-dimensional image, was the result of a class assignment. First National contacted the school, supplied the paint and gave the students artistic license to complete actual application on the fence. Officials estimated it would take one week per side to finish, with students painting in shifts during school hours.

The new building is a tri-venture of First National, IBM and Equitable and is to be completed in early 1981.

On the Air:

Banker Participates in Contest Where Listeners Win Gold

A member of Mercantile Trust of St. Louis' bond/investment department had a small part in a seven-week radio contest in which several St. Louis area residents struck it rich.

The price of the giveaway — an ounce of gold — was quoted daily on the air by Fred Ritter, assistant vice president.

"The contest was a way to celebrate our first anniversary as a 'solid gold' radio station," says Phil Trammell, the station's general manager. "We thought that giving away gold to listeners would build our audience and advertise the station's new adjusted format, which consists of music of the 1950s, 1960s and some of the 1970s."

Having Mercantile Trust — through Mr. Ritter — participate was a natural tie-in, he says. "Mercantile is our station's bank. And we thought that having the price of gold quoted daily would enhance the contest."

Mr. Ritter called the station every morning during the contest and recorded the current selling price of gold. The radio station then played back the statement around 10 a.m., 2 p.m. and 4 p.m. prior to the contest telephone call.

At press time, more than 75 winners had received more than \$20,000 in cash or gold. About one-third of the winners take the prize in gold, Mr. Trammell says.

Thanks to Mr. Ritter, St. Louis-area residents were kept informed about the current market price of gold during that seven-week contest.

MID-CONTINENT BANKER for July, 1979

Bill Weis. Traveling banker's banker.

Bill Weis knows the roads as well as he knows correspondent banking. He will come to visit with you in your bank about any one of your banking problems.

Other specialists in the Correspondent Division are George Dudley, Gene Foncannon, Bill Dexter, John Fowler, John O'Connor, Dean Howard, Don LacKamp, Bob Shultz and Paul Ward.

They will be happy to help you with transit, securities, loan participations, credit inquiries, money market transactions, grain drafts and collections.



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Interest-Rate Differential May End Soon

A PROPOSAL by President Carter could bring about the eventual end of the interest rate differential. The President has asked Congress to allow consumer-deposit interest rate ceilings to rise to market-rate levels, authorize federal savings institutions to offer variable-rate mortgages and invest up to 10% of their assets in consumer loans and permit all federally insured financial institutions to offer consumer interest-bearing transaction accounts.

ABA President John H. Perkins has written President Carter praising his proposal, in particular the elements of the Administration program which would end interest-rate discrimination against the owners of more than 96 million bank savings accounts.

The ABA is urging Congress to end the interest rate gap between commercial banks and those thrift competitors that choose to offer NOW accounts.

He added that Congress should resolve the problem of state usury laws. Mr. Perkins is also president of Continental Bank, Chicago.

President Carter's proposal is mirrored in an emerging Senate bill that would raise all existing Regulation Q ceilings methodically and in small steps over a 10-year period. At the end of that phase-up period, all Reg Q ceilings would be five percentage points above their present levels; the intention of the bill's sponsors is that well before the end of the phase-up period deposit interest rates being paid in the financial marketplace would "top out" so that the Reg Q ceilings would become true ceilings.

In the process, the interest-rate gap between the maximum rates that commercial banks are allowed to pay their savings customers and the

maximums permitted to thrift institutions would effectively disappear.

Generating legislative momentum in favor of some or all of these changes has been a late April ruling by a U. S. Court of Appeals to the effect that as of January 1, 1980, credit union share drafts, bank automatic transfers from savings to checking accounts and S&L remote service units will be illegal unless Congress acts in the interim to legalize them. Numerous legislative measures have been introduced in the Congress in response to the court's ruling. One of those bills would simply legalize the three services and go no further. Another bill, introduced by Representative Fernand St Germain (D,R.I.), would grant checking account (transaction account) powers to all financial institutions and would permit the payment of interest on checking account balances.

The ABA is urging Congress to consider extending NOW accounts nationwide for all financial institutions — a step that would allow consumers who choose to do so to derive some earnings from the value of their idle collected balances, but would not necessarily lead to the wholesale conversion of checking account balances to interest-bearing form. This would allow commercial banks faced with strong consumer demand for some form of interest-bearing transaction account (or that are faced with tough competition from non-bank financial institutions) to maintain their competitiveness in the marketplace. Consistent with a consensus position reached by the Banking Leadership Conference more than two years ago, the ABA is urging Congress to end the interest rate gap between commercial banks and those thrift competitors that choose to offer NOW accounts.

The ABA is also supporting plans in the Senate to take up the problem of state usury ceilings at the same time it considers increasing the Reg Q ceilings; consideration of both the liability and the asset sides of the balance sheet must take place at the same time.

Fortunately, in the same context in which it is considering nationwide NOW accounts and alteration or

preemption of state usury ceilings, the Senate Banking Committee is understood to be considering equalizing the reserve treatment of NOW accounts in the event such accounts are extended nationwide for all financial institutions — another potential step toward competitive equality among all types of financial institutions.

Clearly, the time is nearing when long-range decisions will be made on these issues; most observers believe that congressional decisions on the question of transaction accounts for thrift institutions (and perhaps interest-bearing transaction accounts at all types of financial institutions) is imminent. For bankers, a key concern is on what terms such transaction account powers would be granted to

The ABA is also supporting plans in the Senate to take up the problem of state usury ceilings at the same time it considers increasing the Reg Q ceilings.

their competitors.

In terms of the legislative timetable, the January 1 deadline set by the U. S. Appeals Court in effect demands congressional action by mid-October, when Congress is expected to adjourn for the year.

Even while the search for some equitable resolution of the Federal Reserve issue continues, the clear perception is that the issues described here will heat up during the coming months as they move toward resolution.

In that connection, the ABA will hold a late July Banking Leadership Conference in Washington, D. C., to review all of these issues and the banking community's consensus on them. Participating in the Banking Leadership Conference will be the members of the ABA's Government Relations Council and Governing Council, the leadership of the state bankers associations and the leaders of the other national banking trade associations. ●●

Editor's Note: This column was prepared by the ABA's public relations division.



**We're a
Correspondent
Bank
that gets down to
earth**



In today's agricultural market, the investment is a staggering figure.

The high cost of livestock, machinery, chemicals, fuel, and fertilizer gives you all the more reason to know a correspondent bank with the resources to finance agricultural business.

In Bank of Oklahoma's agri-business

department, your problems are our opportunities. Just tell us what you or your customers need. We can work out the details.



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Marvin Bray
588-6619

Bill Hellen
588-6620

Larry Koch
588-6000

Tom Quillin
588-6334

Member FDIC

MID-CONTINENT BANKER for July, 1979

Corporate News

• **Diebold.** Neal D. Oxman has joined Diebold, Inc., as assistant coordinator/sales training. Prior to joining the Canton, O., firm, Mr. Oxman was coordinator/instructional media services of Parkersburg (W. Va.) Community College.



OXMAN



CHISHOLM

• **Associates Commercial Corp.** David B. Chisholm has been named vice president, business loan division, Associates Commercial Corp., Chicago. Mr. Chisholm will be based in Chicago and will be responsible for marketing and new business development in the Midwest. Also, the company has opened a business loan division office in Los Angeles with James L. Tonius Jr., vice president, as its manager.

Oversize Checkbook Wins Award



Harland, an Atlanta-based check printer, won a certificate of excellence from Mohawk Paper Co., for format of its 1978 annual report — an oversize checkbook. Viewing report's design are (from l.) Thomas D. O'Connor, Mohawk's pres., and Danny Strickland, communications art director, and David Cooper, senior communications designer, both of Harland.

• **Doane Agricultural Service, Inc.** Neil Clemmons and Robert Horton have recently joined Doane Agricultural Service. Mr. Clemmons is an associate editor in the St. Louis company's publication division. Mr. Horton is an appraiser in the Memphis office. Also, Roy D. Cleveland and Audrey Masker have been promoted to account supervisor and project analyst, respectively, in the marketing research division. Mr. Cleveland has been with Doane since 1975 and Miss Masker since 1974.

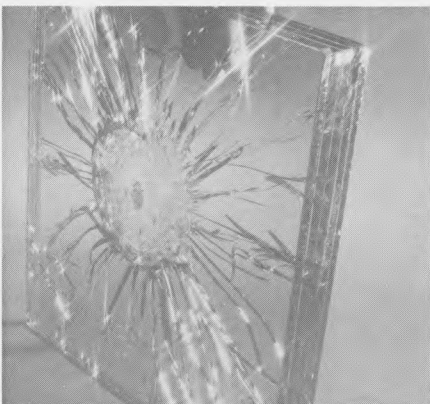
• **Aetna Business Credit, Inc.** Gary J. Timura has been appointed advertising administrator, corporate marketing department, Aetna Business Credit, Inc. Prior to joining Aetna Business Credit, East Hartford, Conn., Mr. Timura had been an account representative for H. P. Hood, Inc., and traffic manager/account executive for Mintz & Hoke Advertising, Avon, Conn.

• **Rand McNally.** Sylvester H. Slowik has joined Rand McNally & Co. as product development manager for the Chicago firm's systems group. Prior to joining the firm, Mr. Slowik was national sales manager/forms equipment at UARCO and, before that, in the data processing advisory group at Citibank, New York.

• **LeFebure.** A new service parts distribution center has been opened by LeFebure, the Cedar Rapids, Ia., financial equipment and security systems firm. The new facility, located in Marion, Ia., is adjacent to the company's shipping complex and near major highways and the Cedar Rapids Municipal Airport. It will carry a complete inventory of parts and supplies for all types of LeFebure products — drive-up, vault, teller, alarm and surveillance. The center utilizes the company's master computerized inventory control system for faster delivery of parts.

New Products

• **Mosler.** A 12-page brochure on bullet-resistive products has been published by and offered at no charge



from Mosler. The booklet lists crime statistics, categories of ballistic levels and illustrates Underwriters Laboratories-approved materials used in the bullet-resistive products. Write Mosler, 1561 Grand Boulevard, Hamilton, OH 45012.

• **E. F. Bavis & Associates.** New design concepts for major offices, branch banks, supermarket banks and free-standing ATMs ranging from traditional to avant-garde can be seen in *Bavis Banks*, a new brochure for bank exteriors and interiors. Write: E. F. Bavis & Associates, 200 Neumann Road, Cincinnati, OH 45215.

• **Diebold, Inc.** The company has expanded its present customer service to include a teller-training program for remote-banking equipment. The program's purpose is to enhance teller and customer acceptance of remote banking and develop teller operational skills for maximum efficiency and

satisfaction. Training takes place at the bank, and operation manuals are provided for the tellers. Write: Diebold, Inc., Canton, OH 44711.



Lydia Grady (r.), customer relations representative, Diebold, Inc., demonstrates operation of company's Visual Auto Teller unit to financial institution tellers.



Great craftsmen are infinitely patient and skillful with the tools of their trade and their lives are animated by a spirit that dares to be different. Good banking is a craft

that must be practiced and developed by men and women who, like artisans of great skill, care about the the lasting quality of their work.



First National Bank Of Commerce

CORRESPONDENT BANKING DEPARTMENT

Member FDIC

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MID-CONTINENT BANKER for July, 1979

Commercial Lending

ABA Releases Loan Officer Survey Results

A SURVEY of bank senior commercial loan officers conducted by the ABA reveals that commercial loan officers are in the prime of life and a substantial majority has a college education.

The senior commercial loan officer survey was distributed by the ABA commercial lending division to 1,600 full-service banks with deposits of \$50 million and above.

Richard F. Ford, ABA division chairman and president, First National, St. Louis, noted that nearly half — 48% — responded to the survey.

Some highlights of the survey results include the following:

- Thirty percent are age 30-39; 39% are 40-49 and 24% are 50-59.

- Of the majority with a college education, some 51% have bachelor's degrees; 20% have masters; and 2% have law degrees.

- Almost all have substantial titles in their banks. Some 25% are executive vice presidents; 40% are senior vice presidents and 27% are vice presi-

dents.

- The average bank senior loan officer has held this position for less than six years.

- Although senior loan officers have several responsibilities, the average officer still devotes most time — 57% — to lending activities. This includes customer contact, new business development, loan portfolio supervision, lending, etc. Administration of commercial lending activities within the bank consumes 36% of their time.

- Salaries range from under \$20,000 to over \$100,000 a year. Some 21% receive between \$20,000-\$29,999; 39% receive \$30,000-\$39,999; 19% from \$40,000-\$49,999; 10% from \$50,000-\$59,999; 6% from \$60,000-\$74,999; 4% from \$75,000-\$99,999; and 0.5% over \$100,000.

- Most training of commercial loan officers appears to take place outside the employing bank, since 69% of the banks indicate they do not have formal in-house training programs.

- Average yearly cost of training per

officer is about \$2,200. Training cost is lowest among mid-size banks and highest in the largest.

The survey was conducted "to identify personal and management characteristics of key individuals who direct bank commercial loan departments throughout the country," Mr. Ford said. "Information was obtained on the operations of the loan departments, training needs, educational programs, perspectives of the future and present problems facing the commercial lending function in banking.

"Responsibilities, lending activities and educational needs of the staffs who work in bank loan departments were explored also."

The full survey report, complete with tables and narrative analysis, is available from the Commercial Lending Division, ABA, 1120 Connecticut Ave., N. W., Washington, DC, 20036. The cost for the Senior Commercial Loan Officer Survey results is \$20 for ABA members and \$35 for nonmembers. ●●

RMA to Offer Seminars In 30 Southeastern Cities Conducted by Local Bankers

Robert Morris Associates (RMA) has recruited 30 members of its Southeastern Chapter to conduct programs in 30 southeastern cities this fall. Chapter President Gerry Stephens, executive vice president, American National, Chattanooga, Tenn., said the move will "enable RMA to penetrate virtually every major banking area in the Southeast. . . . This means that many commercial loan and credit officers will benefit from local RMA programs for the first time."

The Southeastern Chapter is the largest of 32 RMA chapters and has 1,100 members representing 400 member banks in a seven-state area. City chairmen who will be conducting programs in the MID-CONTINENT BANKER area are: **Alabama** — John W. McRoberts, First National, Birmingham, and Edward Herbert, executive vice president, First

Alabama, Montgomery; **Arkansas** — George G. Worthen, director, Worthen Bank, Little Rock; **Louisiana** — J. Hubert Dumesnil, executive vice president, Guaranty Bank, LaFayette; John H. Bateman, Louisiana National, Baton Rouge; Ben F. Marshall, senior vice president, Ouachita National, Monroe; and Malcom P. Schwarzenbach Jr., vice president/credit and research, First National Bank of Commerce, New Orleans; **Mississippi** — Alfred G. Rath, assistant vice president, Hancock Bank, Gulfport; J. W. Cocke III, Deposit Guaranty National, Jackson; and Charles P. Davis, first vice president, Bank of Mississippi, Tupelo; and **Tennessee** — Robert J. Sudderth Jr., vice president, American National, Chattanooga; William C. Callaway Jr., assistant vice president, Valley Fidelity Bank, Knoxville; Roger Leitner, Park National, Knoxville; Ernest Beazley, vice president/credit department, Third National, Nashville; John Donovan, First American National, Nashville; James C. Helton,

executive vice president, First National of Sullivan County, Kingsport; and Rudolph H. Holmes III, executive vice president, Union Planters National, Memphis.

Credit Information Personnel Listed in RMA Directory

Robert Morris Associates (RMA) has published its 1979 *Directory of Credit Information Personnel*. The directory, which is not to be confused with its *Member Roster*, contains names, telephone numbers and mailing addresses of bankers directly involved in exchange of credit information with commercial customers.

This year's directory lists more than 5,000 bankers, an increase by 500 names over those listed in last year's edition. More than 2,000 major commercial banks in the United States and Puerto Rico provided names, 200 more than last year. Banks listed account for about 75% of total bank loans in the country.

MID-CONTINENT BANKER for July, 1979

FREE



SANTA RINGS

(OVER)



**ANNOUNCING
OUR NEW 1979
SANTA CLAUS RING**

Bank Presidents &
Marketing Officers

There is nothing a child appreciates more than a little unexpected gift in the weeks anticipating Christmas.

Our Santa Claus ring makes a perfect little inexpensive gift for children visiting your bank during the Christmas season, and you will find that parents and grandparents will prefer it over the usual give-away.

Because the Santa ring has proven to be a preferred give-away toy, we have continued to improve our ring every year and to produce a greater number each season. This year's ring is adjustable and will fit any age child.

The face of our ring is purposely made large in order to meet all safety size requirements in the United States and Canada and can be given to children of any age. Made of F.D.A. approved non toxic materials.

Order Now For Delivery By November 10th

Christmas is many months away, but our Santa ring must be made well in advance. Now is the time for banks interested in using this exceptional little Christmas toy for their customers' children to order their rings.

HOW TO ORDER RINGS

SOURCE: WILSON PREMIUM CORP.
5050 Poplar Ave., Memphis, TN 38157

COST: 4¢ BULK PACKED (500 PER BAG)
F.O.B. LEOMINSTER, MASS. - NET 30 DAYS

MINIMUM ORDER TWO THOUSAND
ORDERS WILL BE SHIPPED TO ARRIVE BY
NOVEMBER 10th

* SHIPMENTS MADE BY PARCEL POST AND UNITED PARCEL DEPENDING UPON SIZE AND DESTINATION.

* SHIPMENTS ON OPEN ACCOUNT: F.O.B. NET 30 DAYS.

* FOR AN EXTRA SAVINGS TO OUR CUSTOMERS, IF YOU INCLUDE YOUR CHECK COVERING THE COST OF THE SANTA RINGS WITH YOUR ORDER, WE PAY ALL SHIPPING CHARGES.

Customer Profiles Give Banks Knowhow To Increase Number of Club Members

ANALYSTS of today's financial conditions go to great lengths to report on all sorts of impressive negative factors, winding up with dire predictions for the future. What the prophets of doom seem to ignore is a truly unshakable faith on the part of the American public in what is the foundation of most family finances — the services of a local hometown bank.

And indications are that prospects for the nation's banks are a healthy green. These indications gain extra credence when one undisguised sign of health is measured — the continuing growth of Christmas clubs.

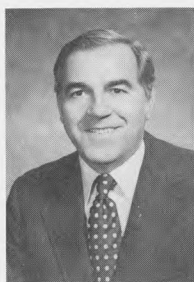
Last year's 20-million-plus club membership total has increased. Spot checks show that Christmas club deposits will break previous record totals of \$5 billion by year end, with more than four out of five dollars accumulated slated for holiday spending.

These days especially, Christmas clubs are fulfilling a primary purpose of banking — namely, security of funds for a special purpose with an expected reasonable rate of growth through earned interest.

The small saver in particular — with a Christmas club total deposit of about \$250 in 1978 — now is responding affirmatively as never before to four main Christmas club features: (1) The attraction of disciplined weekly deposits, (2) the incentive afforded by a coupon book, (3) the popularity of thoroughly tested promotions and (4) the prospect of assured funds for Christmas shopping.

Today's Christmas club saver/member may be profiled from the results of a recent Unidex study that provides ample evidence that people haven't changed. They continue to rely on the banking community to help guide their financial management plans with opportunities for saving like Christmas clubs.

The key to financial marketing today



By **JOHN H. GUINAN**
President
Christmas Club A Corporation
Easton, Pa.

is cross selling. Convention speakers address the subject. Papers are written about it. Seminars deal with the topic.

In simple terms, cross selling involves marketing new or existing services to current customers. We at Christmas Club were pleased recently to see the results of a Unidex study which serves to dispel the myth that Christmas club users are not profitable customers.

The study consisted of telephone interviews with 1,845 individuals aged 18 and over in 34 scientifically selected locations nationwide.

The survey showed that nearly 12% of all households maintain a Christmas Club account at some type of financial institution.

Responses of the 1,845 individuals provide some valuable insight (for us and for financial institutions) into the types of people who utilize Christmas clubs and the relative stability of club users as opposed to non-users.

The respondents were asked the question: "Could you tell me which of the following services you or your family use from a financial institution?" Table 1 indicates the results. In every category except one (checking accounts), a higher percentage of Christmas club users made use of the service than non-users.

Note that in most categories the greater utilization of other services by Christmas club users as opposed to non-users is statistically significant.

It seems from these data that there is a pattern that — as Unidex reported — Christmas clubs may reap more benefits than have heretofore been expected. For these data show conclusively that members of Christmas clubs also are far more likely to avail themselves of other services. If there is a tendency to buy among a certain group of customers, it is far more easy to sell to those customers.

The study also pointed out that Christmas club users are more loyal to their financial institutions than are non-users.

This point tends to validate the pre-

TABLE 1
Service Usage of Christmas
Club Users and Non-Users

Service	User	Non-User
Checking Account	92.4%	92.4%
A Regular Passbook Savings Account	89.4%*	83.2%
Certificate of Deposit	41.9%*	34.9%
Installment Loan	51.5%*	38.8%
Overdraft Checking	22.7%	20.5%
Any Other Type of Savings Club	20.2%*	2.0%

*Significantly high percentage

vious points. For, as bankers are aware, customers who use a greater number of services are, by definition, more loyal to their banks.

In answer to the question: About how long have you used the services of this institution?, 75.1% of the users of Christmas clubs indicated they had been with their financial institutions for six or more years, as opposed to only 65% of non-users.

By the same token, as Table 2 illustrates, non-users are more than twice as likely to have been with their financial institutions less than three years.

Thus far the data have demonstrated that, quite far from being loss leaders, Christmas club users are a plus for any financial institution. Once obtained as customers, they can be expected to avail themselves of a greater number of services than non-users and to remain with the financial institution longer.

Now let's look at the type of people who use Christmas clubs.

They tend to be middle-aged, middle-income, blue collar and female.

The greatest number of Christmas club accounts were held by female heads of households (see Table 3). However, as family income increased, the account was markedly more likely to be held jointly — ranging from about 16% of those with incomes under \$11,000 to 31% of those with incomes over \$20,000. The opposite was true in lower-income households where the account more often was held in the male's name.

While female heads of households are most likely to have a Christmas club account in their name, they are even more likely to be the person in the family to make the Christmas club deposits. This is shown in Table 4, where 58.5% of the depositors — the people with whom tellers will have face to face contact — are women.

With increasing age, the female head of a household was considerably more likely to be carrying the account, while among younger households, the club was more often held jointly.

A particularly strong finding was

that, as city size increased, the female was much more likely to be holding the account. Conversely, the male head more frequently held the account in smaller communities (see Table 5).

The individual most often making deposits to a Christmas club followed closely the pattern of holdership.

As would be expected, the length of maintenance of the account bore a definitive relationship to age. Still, however, an average of approximately 40% of respondents between 26 and 45 years of age had been maintaining their accounts between three and 10 years. Among those 51 and older, an average of 66% had been maintaining their ac-

TABLE 3
Christmas Club Holders

Title	Percent
Male head of household	19.0%
Female head of household	50.3%
Child	2.1%
Joint	26.7%
Not sure	1.5%
No answer	.5%

TABLE 4
Christmas Club Depositors

Title	Percent
Male head of household	19.0%
Female head of household	50.3%
Children	2.1%
Joint	26.7%
Not sure	1.5%
No answer	.5%

TABLE 5
Christmas Club Holders
By Size of City

Population	Male Head	Female Head	Joint
Under 15,000	31.6%	36.8%	26.3%
15,001 - 50,000	25.2%	36.1%	27.7%
50,001 - 150,000	9.5%	45.2%	42.9%
150,001 - 500,000	7.8%	46.2%	42.3%
Over 500,000	11.6%	68.0%	12.3%

counts five years or longer.

When all respondents are taken into consideration, as shown in Table 6, the majority of Christmas club users (71.1%) were more likely to hold their accounts three or more years.

How is Christmas club money spent? This is an important question because the money in Christmas clubs around the country mailed to depositors by the country's financial institutions beginning in mid-October represented an estimated \$5 billion shot-in-the-arm for the economy during the holiday season.

Respondents were asked: "What would you say is the primary purpose of your Christmas Club savings?" The results shown in Table 7 indicate that the vast majority of Christmas club users (73.3%) spend their money strictly for Christmas items.

TABLE 6
Maintenance of Account

Time	Percent
Less than 1 year	9.8%
1-3 years	19.1%
3-5 years	24.2%
5-10 years	16.0%
10 years or more	26.8%
Not sure	4.1%
No answer	0.0%

TABLE 7

Type of Expense	Percent
Strictly for Christmas spending	73.3%
Educational expenses	.5%
Taxes	5.6%
Transfer to permanent savings	.5%
Used for other purposes	19.9%
Not sure	2.1%
No answer	0.0%

Only one in every 50 replied that club savings were transferred to "permanent savings" while 12 in every 50 answered that proceeds were spent on taxes or for education.

Respondents then were asked: "What percentage of your Christmas club savings is allotted to each usage you just mentioned?" Eighty-two percent of those who said they spend their Christmas club savings strictly for Christmas shopping use all of their money for this purpose. Another 15% spend 50% or more on Christmas shopping.

Since the preceding information

TABLE 2
Loyalty of Christmas Club Users
Versus Non-Users

	User	Non-User
Less than 1 year	3.0%	4.7%
1 year but less than 3 years	6.6%	12.9%
3 years but less than 6 years	12.7%	14.1%
6 years or more	75.1%	65.0%
Not sure	1.0%	.4%
No answer	1.5%	3.0%

ON THE COVER

Charles Dickens' "A Christmas Carol" provides the theme for this year's campaign to attract Christmas club accounts by the nation's financial institutions. Various scenes from the well-known tale appear on the various forms and premiums being distributed to participating banks by Christmas Club a Corporation, originator of the Christmas club concept.



Among the premiums available to banks and other financial institutions this year are a tray, tree ornaments (pictured), holiday candles, tiles, insulated mugs and porcelain bells — all decorated with Dickensian characters including Tiny Tim, Bob Cratchit, Jacob Marley and Ebenezer Scrooge.

proves that Christmas club savers are a valuable group to attract, what are the possibilities of attracting non-users to Christmas clubs?

Non-users were asked about their likelihood of participating in a systematic goal-oriented savings program. The responses are shown in Table 8.

When these data were broken down demographically, certain groups emerged as more likely to participate than others. As Table 9 indicates, demographic relationships tended to parallel those of current Christmas club users. In other words, the greatest potential users are middle income, blue collar and young.

Geographically, the regions of greatest potential expansion and opportunity appear to be the southern and mountain areas as indicated by the lower percentage of current users in these areas.

Summary

Christmas clubs are not loss leaders. Users tend to be more loyal to their financial institutions and tend to avail themselves more frequently of a greater number of a bank's services

TABLE 8
Likelihood of Non-Users
To Participate in
Christmas Clubs

Group	Percent
Likely to participate	15.3%
Not likely to participate	75.4%
Not sure	8.0%
No answer	1.4%

TABLE 9
Demographic Breakdown Related
To Likelihood of Participation

Group	% Likely to Participate
Male	11.5%
Female	12.5%
Under \$10,000	13.4%
\$10,000 to \$20,000	30.9%
Over \$20,000	8.2%
White collar	19.2%
Blue Collar	24.1%
Professional	12.1%
Retired	3.5%
18 - 34	28.3%
35 - 49	14.1%
50 - 64	8.3%
65 and over	2.0%

TABLE 10
Percentage of Christmas Club
Users in Regions of the Country

Region	Users
Northeast	25.6%
Midwest	13.1%
South Atlantic	8.7%
South Central	9.6%
Mountain	4.0%
Pacific	9.2%

than non-users.

Demographically, both users and potential users tend to be middle income, young and blue collar.

The Christmas club saver — about one out of eight bank customers — isn't only more likely to have been using his or her financial institution longer (i.e., greater loyalty or less mobility), but is discernibly more inclined to be using a greater number of additional services than does his non-Christmas club counterpart. Specifically, these services are regular savings and savings certificates, installment loans and other type of savings clubs. ● ●

Looking for New Christmas Ideas?

Your bank can wish visitors and customers a Merry Christmas without saying a word! It can be done with lobby decorations! Learn how they can build goodwill and bring business to your bank in the manual "How to Give Yourself Profit-Building Ideas for Bank Christmas Promotions." Only \$8 per copy. See the order form on page 91 of this issue.

Doll Dressing Innovations Give Program New Twist At Old Nat'l, Evansville

Banks have been participating in doll dressing Christmas promotions for many years, but the people at Old National, Evansville, Ind., have managed to add new twists to the practice that broadens the program's appeal.

The bank serves primarily as coordinator of the annual project. The local Salvation Army group purchases as many as 350 undressed dolls each fall and turns them over to the bank where Elizabeth Geiss, vice president and manager of the University Square Banking Center, arranges for volunteers to dress the dolls in homemade outfits. Bank personnel are given first chance to sign up, but often more volunteers are needed, so the word goes out to groups such as the local senior citizens organization, whose members respond enthusiastically.

After the dolls have been dressed, they are put on display at the bank where they are judged and prizes awarded. Prizes consist of dinners for two at a local restaurant. Prize-winning dolls are separated from the others and put into a special display where they are subject to a "silent auction" by people visiting the bank. Anyone desiring to purchase a doll is asked to



Panel of three local judges joins Salvation Army director in selecting winning dolls at Old Nat'l, Evansville, Ind. Dolls were dressed by volunteers.

submit a written bid. The highest bidder for each doll gets the toy, but the money goes to the Salvation Army, which applies the funds toward the cost of all the undressed dolls.

All the remaining dolls are taken to the Salvation Army's toy shop where they are given as gifts to girls of underprivileged parents. Other toys are given to boys.

The bank reaps a lot of favorable publicity from the program while incurring little cost. According to Miss Geiss, the only monetary cost is payment for the dinners of prize winners.

Post-Christmas Event Can Be Effective, Too!

Magnavox TVs Gain Deposits For First Tennessee, Nashville

WHEN IS A Christmas promotion not a Christmas promotion?

When First Tennessee Bank, Nashville, planned a deposit promotion in 1977, it was envisioned as one that would run through the Christmas season. But Tennessee's interest rate battle was not over in time for the bank to meet its pre-Christmas target date, so the promotion was rescheduled to begin on December 27. So, rather than cashing in on the pre-Christmas spending of Tennesseans, the bank took advantage of the post-Christmas liquidity of its customers and learned it is possible to mount a successful promotion at either end of the Christmas season.

First Tennessee Bank, Nashville, is considered the 67-year-old "baby" of First Tennessee National Corp., the state-wide HC controlling the bank. But, on the basis of the success of the bank's first-ever deposit promotion, it's obvious that the institution won't remain anybody's baby very long. The promotion proved that the bank is an aggressive comer determined to improve its position in a highly competitive market.

In 1977, Douglas C. McLaughlin, vice president, marketing, for the bank, conferred with John E. Sloan Jr., president, about an idea for a premium promotion designed to increase stable

core deposits and to achieve greater market awareness. The promotion would be the first for the bank and would offer savers their choice of three different television sets at special prices.

Once the promotion plans were approved, Mr. McLaughlin went to work on the details with the Hal Kaufman Co., a representative of Magnavox based in Memphis, and Allen & Bean, a Magnavox retailer.

Kaufman Co. provided the products — a 9" black and white TV, a 19" color portable and a 25" color console — while Allen & Bean handled warehousing and delivery. The firm provided a complete "in and out" service for the bank and sold service contracts to recipients of the TVs.

Mr. McLaughlin designed a manual that so thoroughly detailed each step of the program, First Tennessee copyrighted it. In addition to the manual, he created sales forms designed to provide not only the routine data for such a program, but a complete demographic breakout containing information for future promotions and other bank purposes. The list of new savers provides an excellent prospect list for follow-up cross selling.

A special kick-off notice was sent to all bank employees and a pre-program meeting was held to detail every step. More than two-thirds of the bank's

employees purchased TV sets despite the fact that no special employee incentive program was connected with the promotion.

TV sets were displayed at First Tennessee's locations in Nashville, Gallatin and Murfreesboro. In all, 11 offices were involved. Advertising was confined to newspapers, statement stuffers, point-of-purchase material and computer-printed direct mail letters.

Competition for funds was keen during the promotion since another Nashville bank ran a passbook savings program featuring china that coincided with First Tennessee's promotion.

Despite the delay in launching the promotion and the highly competitive market, 75% of all sales were made during the first eight weeks of the 10-month-long promotion, which points to the fact that a post-Christmas promotion can be extremely effective.

First Tennessee's promotion was aimed strictly at one- to six-year consumer savings certificates and almost 80% of all funds received was new money. "Certificates are ideal," says Mr. McLaughlin, "because their longer maturity periods provide opportunities for sustained relationships with new depositors. Over 72% of these deposits went into four-year and longer savings certificates."

"We learned a great deal and proved some solid theories, including the fact that simplicity is the key to successful handling of any promotional campaign," Mr. McLaughlin says. "We developed a system of forms for both our customers and ourselves. We know, too, that a cardinal rule is to use top-name merchandise that a manufacturer stands behind. We wanted instantly recognizable high-quality products and to date have not had a single product problem."

Mr. McLaughlin feels that a premium promotion should be a special event rather than just another marketing push. "One of the objects," he points out, "should be to keep the bank out of the variety merchandise business. A second is to find a product that fits the bank's image. A bank mounting its first premium promotion should give considerable time to selecting and structuring a program that will achieve its objective." In the Nashville area, each of First Tennessee's three largest competitors have about 30% of the market share. In staging its first premium program, First Tennessee crossed swords, promotional and otherwise, with more than 100 offices of major competitors. The new money results speak volumes. ●●



Pres. John E. Sloan Jr. (l.) and Marketing V. P. Douglas C. McLaughlin discuss details of TV promotion with First Tennessee Bank, Nashville, employee Jan Stephens. More than two-thirds of bank's employees acquired TVs during promotion.

Banks Can Thank Customers With Small Christmas Gifts

By ORVILLE GOERGER

SUCCESSFUL Christmas promotions depend a lot on effective communications with the bank's audiences. Many of these communications objectives can be achieved by well-planned direct-advertising programs.

Much direct advertising — especially when using the mails — is on an intimate person-to-person basis. It's particularly well suited for catching the warm, personal touch of the Christmas season.

Even the finest lobby display will be seen by just a portion of your customer audience. Heavy newspaper, radio and TV advertising can't guarantee reaching everyone in a given market. Direct advertising, by contrast, can be pinpointed to deliver your Christmas messages to any specific audience — with virtually 100% exposure of your message.

This, of course, doesn't mean direct advertising is a magic formula that needs no other media support. Best results, as always, are obtained when all media are used as a team, each carrying its particular share of the load. The only caution here is that banks do not overlook the power of direct advertising and that it be part of Christmas planning, not ignored.

In many cases, banks get a bargain in their use of direct advertising. That's because it so often can hitch a free ride, postage-wise, by traveling as part of routine service mailings. Banks also have good opportunities to distribute such advertising, via take-one racks in their lobbies, by tellers and other customer-contact people.

Christmas direct advertising can be used to sell services or build public relations. In case of Christmas club and other Christmas-related merchandise, dynamic direct-advertising-promotion materials frequently are furnished by suppliers. (They know the power of direct advertising; they give it to you gladly because it sells more for you, which means you'll buy more from them.)

Much direct advertising of a public-relations nature is designed and produced by the bank to meet a specific objective. This can be in the form of a custom-written letter to a special list or something as simple as a Christmas greeting card. (Many of these, of

The accompanying article is taken from a book authored by Mr. Goerger under the title: "Profit-Building Ideas for Bank Christmas Promotions." The book sells for \$8 and is available from Commerce Publishing Co., 408 Olive St., St. Louis, MO 63102.

course, can be easily obtained from suppliers.)

In some cases, it will be desirable to supplement your mass-media advertising with a mailing to a selected list. For example, if you were offering a commemorative coin as a Christmas gift suggestion, you might send a letter to a list of numismatists. Or special

customers might receive a single-sheet handwritten letter from the bank's president.

Direct advertising is versatile; it can serve almost any purpose. It also can be costly if it is not well planned and is used wastefully. Remember today's postage rates when you plan direct mail; mail advertising is a selective medium and performs best when that is kept in mind.

Here are several ideas your bank (if not already using) can consider this Christmas.

At year-end, say "Thanks." Two of the nicest words in the English language are "thank you." They are also potent words in building public relations and customer goodwill. You like to hear those words when you help someone — so don't forget to use them when people help you. Especially if they're customers.

There is no better time to do this than at year-end. Your bank can enclose a sincere message, appropriately decorated with seasonal art, in check-statement mailings. These messages are available from many suppliers.

Even more effective is a statement from your CEO, written in a warm, friendly style, slanted to your local situation. It will be printed, of course, but the contents should be individualized as much as possible.

In addition, tellers can distribute the messages with each transaction during the last week of the year. Whenever practical, other copies can be enclosed by officers in their correspondence.

Build holiday goodwill at your drive-in. Some banks send customers a "Christmas card" each time they visit their drive-in. Right after Thanksgiving, these banks change their regular drive-in banking envelopes to colorful ones, each bearing a cheery seasonal greeting. In addition, where practical, deposit receipts at this time drop their routine year-round look in favor of some bearing a Christmas greeting and decorations.

For a nominal cost, these envelopes and receipts perform a useful banking function — while building additional holiday goodwill for the bank.

A goodwill investment with advertising dividends. Where is the person



What better way to put warmth into a banking operation than to send a Christmas greeting from bank-by-mail tellers in the form of a staffer. This greeting was used by Mercantile Trust, St. Louis, and caused considerable comment on the part of recipients. Some of them even sent Christmas cards to each teller!

who doesn't like a useful free gift? Capitalize on this human characteristic by giving a gift that builds goodwill at Christmas — and pays reminder-advertising dividends all year long.

Many banks use attractive, wallet-size calendar cards to do this job. Virtually every customer can use and would like such a card. It fits the purse or wallet. It is kept and noted frequently for 12 months. And each time it's used, the customer is exposed to the bank's name and message. That's why so many banks consider these cards a great public-relations and advertising bargain.

Commercial customers like appointment calendars. Another type of calendar — the appointment book — also is an excellent investment in both public relations and advertising. Businessmen, especially, or anyone with crowded daily schedules appreciate a handy way to keep track of their appointments. Since production costs are higher, distribution of these books generally is on a more restricted basis than is the card. On the other hand, recipients of appointment calendars usually are larger bank customers and the additional investment is well justified.

Caution: Order calendar cards and appointment books at least six months ahead of the time you will need them.

Give budget books — if they fit your budget. Another prized and appreciated year-end gift to a bank customer is a budget book. It can be used to advantage by virtually every family. It is an excellent way to teach money management. It has only one bad feature — it's expensive.

On the positive side, it has bank advantages in several specialized areas. An installment loan customer, for example, could gain appreciable benefits if this gift taught him good budgeting procedures. It might also be helpful to new home owners who are borrowing from the bank.

If your budget permits use of a sizable number of such books, you may want to develop your own customized edition. Otherwise, there are many quantity-printed (and cheaper) books you can order with your imprint.

Send customers a Christmas card? Some banks do — especially if customer lists are small. A printed card isn't as warm or personal as a Christmas message could be, but it is a public-relations contact and probably worth the effort. The practice may lessen if postal rates continue to rise.

Other banks may not send a formal card but use something a bit more "personalized" (like the "thank-you" ideas already discussed). This approach, for almost the same cost, probably pays bigger public-relations dividends.

Some banks shun cards almost completely — because it's so mechanical and impersonal. In many of these instances, however, officers and individuals in the bank are urged to send personal greetings to those they serve frequently.

All these approaches have some merit. Use the one most practical for you and which fits your budget best.

Let your bank envelopes say "Merry Christmas." One form of holiday advertising that can be used on every piece of mail you send probably costs the least. It's your postage-meter indicia. Whatever you use the rest of the year, switch to a holiday message in December. These special indicia cost little and can be used from year to year. And they extend the Christmas spirit inside the bank into the mail box of all to whom you write.

Light customer Christmas candles with your matches. Most banks use book matches as part of their advertising programs. If you do, have a special Christmas cover designed (without advertising but with your bank name) and distribute these holiday matches during December. In addition to your usual channels of match distribution, boxes of 50 can be given as gifts to some of your more important customers. With all the entertaining families do during the holidays, your matches will produce a sizable audience for your advertising.

A Christmas card that humanizes "faceless" banking. Computer, push-button teller stations and other automated elements have public-relations drawbacks. When customers bank with machines, they lose personal contacts with bank personnel; the bank, to these people, is just a mechanized "faceless" being.

Bank-by-mail is another bank service that faces this handicap — but here the Christmas season offers an opportunity to warm up customer relations. Mercantile Trust, St. Louis, did this with an unusual Christmas greeting.

To remind customers they really were dealing with people, not a machine, this card carried a group photo of all the bank-by-mail tellers. All were identified by name, with each

(Continued on page 42)

Bank Sign Registers 'Ouch' After Being Hit by Auto

WASHINGTON, MO. — Getting hit by a car is no laughing matter, but the word "Ouch" flashed on the Franklin County Mercantile Bank sign after it was hit inspired mirth across the country.

Apparently an unattended car rolled off the parking lot at the bank's facility and struck the bank's sign and community message board. Teller Lorraine Struckhoff was responsible for seeing the humor in the situation and typing the message on the board.

After a local newspaperman photographed the injured sign and published it in his paper, the picture was transmitted over the Associated Press wire photo network. Thus, the picture appeared in other newspapers — in many cases the front page — throughout the U. S. and other countries.



Mercantile Bank executives (from l.) James E. Brown, pres., Mercantile Bancorp., St. Louis, and Elmer Steffens, ch., and Jack Lohan, pres., Franklin County Mercantile Bank, Washington, Mo., display front pages of several newspapers that carried photograph of bank's injured message sign.



Franklin County Mercantile Bank's sign sends out distress signal after being hit by an unscheduled deposit: someone's car. Apparently the car rolled off a parking lot at bank's facility in Washington, Mo.

Bank Building Serves as Christmas Card To Greet Residents at Yuletide

WHEN it comes to wishing people season's greetings at Christmastime, First National, Birmingham, Ala., does it bigger than any bank in the state. That's because the institution's building is the largest bank structure (30 stories) in Alabama and the bank uses the exterior of its building to spread joy to all within sight of it.

The entire building is turned into one giant, illuminated message. Last year, the bank greeted residents of the Birmingham area with the word "Joy," which, when stretched over the facade

of the building, is a huge message indeed (see photo on cover).

The idea for the annual holiday greeting was born in the bank's marketing department and was worked out in conjunction with Southern Natural Resources, joint owner of the First National/Southern Natural Building. Each of the building's 2,700 windows includes a fluorescent tube, located between the window's blinds and the reflective glass, that transforms the building's windows into blocks of illumination at night.

The marketing department's idea was to place sleeves of colored plastic over the fluorescent tubes to color the windows. The position of the tubes makes it a simple matter to put the sleeves in place from inside the building.

Gigi Baroco, graphics and design assistant in the communications section of First National's marketing department, designs the holiday displays and designates the proper color for each window that is used in the designs. An over-all plan is made for each of several designs that are used, and, in cooperation with the firm that manages the building, draws up floor-by-floor layouts that indicate the colors designated for each window.

The first greeting was displayed in 1972. That year, a green Christmas tree outlined in red appeared on the north and south faces of the building. The word "Noel" was spelled out on the east and west faces. The 14-story 150-foot tree is used each year, but the word greeting is changed or alternated with such things as a Christmas stocking or a candy cane.

Greetings usually are displayed from December 22 through December 31 and are illuminated from dusk until 1 a.m.

Prior to turning on the lights each year, the bank circulates a note to each building tenant requesting that the blinds in offices be closed by 4:30 each afternoon so the displays will be prop-

erly illuminated. The blinds keep interior lights from interfering with the colors of the displays.

Although the idea was to limit the displays to Christmas observances, an exception was made for the U. S. bicentennial in 1976, when a huge American flag and the numerals 1776 were spread across the building's facade.

Card Publicizes Art Museum

Last Christmastime, First National, Birmingham, initiated a novel idea for a Christmas card for its customers and friends that helps give recognition to the city's museum of art. The bank created a distinctive greeting card that has on its cover a reproduction in full color of a painting entitled "Winter Landscape" that hangs in the museum. The inside of the card carried a brief description of the painting in addition to the bank's "Season's Greetings" message. The bank received good reports from those seeing the card and it expects to continue the practice of featuring art on its cards in the future.

The fluorescent tubes were designed to be illuminated year-round, but the building's management cut back on all unnecessary lighting to conserve energy a few years ago. This curtailment doesn't affect the holiday greeting illumination, since no extra electricity is required to illuminate the displays. This is because the building has its own total power plant that provides certain lighting and other electrical service round the clock. Enough excess capacity is in the system to maintain the holiday lights during the hours the greeting is illuminated.

First National moved into its reflective glass tower in November, 1971, two years before it celebrated its centennial. The building has been a modern landmark in the city since its completion. ●●



Martin Salmon (l.), a.v.p., First of Birmingham, and Ollie Nix, building superintendent, add input to Christmas-design idea being developed by Gigi Baroco, bank's graphics artist. After holiday message is designed, Mr. Salmon coordinates plan with building's tenants while Mr. Nix supervises installation of multi-colored plastic sleeves placed over fluorescent bulbs in each window of building to achieve desired result.

Nominal Cost Provides Incentive For Banks to Offer Free Photos

ONE PUBLIC relations program that is good the year round — but particularly appreciated by customers at Christmastime — is to give customers free 8 x 10 family color portraits.

Bankers who have used this program have expressed the opinion that this particular public relations tool has put them in closer touch with their customers than have other promotions. This program was not created to draw new accounts but to improve a bank's image.

Few promotions are available to financial institutions today that require such a small investment on the part of the sponsor. Actually, the only cost to the sponsoring institution is for advertising the offer and incidental expenses in connection with having a paid employee on hand during after-hour photo-taking sessions.

Bank of Charlestown (Ind.) had nothing but praise for its partner in its three-consecutive years of giving away free photographs — Bel-Air Industries, Louisville, Ky.

"We were extremely happy with them," said Larry Fouse, vice president/cashier. He said that the two-to-three day photographic sessions went smoothly with most customers and employees pleased with the results. Bel-Air's photographers and salesmen were courteous to the bank's customers, he said.

Bel-Air paid for the statement stuffers and newspaper ads used to announce his bank's program, Mr. Fouse said. "One year we announced the promotion by direct mail letters which were supplied by Bel-Air."

Contents of the letter, which appears on the bank's letterhead and is signed by a bank officer, is as follows:

Dear Patrons & Friends:

We are proud of our patrons and friends and want to show our appreciation by giving you a free 8x10 family portrait in natural color. This picture will be taken by professional photographers in a special studio set up at our bank office.

To arrange for a sitting, call 256-3316 and we'll schedule an appointment at a time convenient to you. You'll be glad you did. The

photographer's schedule will be as follows:

Friday, December 9
3-8:30 p.m.

Saturday, December 10
10 a.m.-6 p.m.

You will be given one color portrait *free* with our thanks for your continued support. Additional prints may be purchased directly from the photographer, but there is **ABSOLUTELY NO OBLIGATION** to purchase any pictures to receive your *free* family portrait.

We hope you will take advantage of this offer by calling this office right away, as you will cherish this photo in years to come.

Citizens Bank, Elizabethtown, Ky., arranged 420 appointments to be kept with Bel-Air Industries photographers. "Of that number, about 90% kept their scheduled appointments," said Lu Thomas, marketing representative. "The appointments went smoothly without an overflow of customers or lengthy waiting periods."

The bank's management felt that the Bel-Air Family Portrait promotion ac-

complished its goal to keep the bank's image before the public without creating a negative opinion, according to Miss Thomas. Another advantage was the nominal cost.

Two others banks used Bel-Air portraits as a way to increase lobby traffic and gain exposure. They are Walker County Bank, Jasper, Ala., and DeKalb County Bank & Trust, Alexandria, Tenn.

Happy with his bank's results, Joe T. Brown, senior vice president, Walker County Bank, said, "If I was opening up a new branch and wanted traffic, I would use this program."

Usually the photography company sets up a temporary studio on the sponsor's premises, or at some other nearby location if there's no extra room at the financial institution. Most banks prefer that the sittings be done on weekends when the bank isn't open for business. Weekend appointments also enable most family members to be together for sittings, since most don't work on weekends.

About two to three weeks after the shooting session, photo company representatives return to the bank with either proofs or finished color photographs for customers' selection.

Ed Evins, president, DeKalb County Bank, said, "We saw the program as a good public relations tool. It met two of our goals — to create lobby traffic and give us exposure." ●●

Shopping in Hometown Supported by Local Bank

Citizens National, Bowling Green, Ky., has been using a promotion, particularly around Christmastime, which has been helping the local economy for the last 10 years.

Year round the bank provides customers and the public with "Shop Bowling Green" shopping bags at its five locations. During Christmas-shopping time, the campaign is supported with red and green buttons, store signs and window decals all bearing the same message.

"We use about 5,000 bags annually and purchase them through a local representative," says Martha S. McGuirk, vice president.

Mrs. McGuirk says the campaign has helped make the public conscious that money spent in Bowling Green helps the local economy. For that reason, Citizens National supplies the bags and other advertising pieces free to merchants.

The bank's program was started by John P. Hines, who is now the bank's president.

Because We at Citizens Bank in Elizabethtown, Ky. appreciate your business!



We have a FREE gift for your family.

A lovely 8x10 Natural Color Portrait

This lovely portrait of your entire family will be taken at our facility by professional photographers, with the free service session. This beautiful portrait will guarantee a holiday to remember. (Limit one per family.)

All you do for your free portrait is call us at 769-2301 and make an appointment for your portrait sitting. Please contact us for the appointment for a complete and workable schedule for you.

When 10 days time will be left to reserve and complete a deposit toward the cost of your portrait. If the time for your purchase and final payment has expired the portrait will not be made or obligation to deposit.

Call today and take advantage of this free portrait offer. It's just one way of saying thank you to our valued customers.

One free portrait per family, please.

October 17th-21st
Hours: 3 p.m.-8 p.m.

Saturday, Oct. 22nd
9 a.m.-5 p.m.

Call 769-2301



Citizens Bank
425 W. Dixie Avenue
Elizabethtown, Ky.
A member of the Federal Deposit Insurance Corporation

Newspaper ad invited customers of Citizens Bank, Elizabethtown, Ky., to call bank and set up appointment for photo sitting for free 8 x 10 family portrait.

HOLIDAY



DISCO

Dear Christmas Club Manager:

Here is the most exciting new Christmas Club Premium!!!! **EVER!!!!**

It's our "**HOLIDAY DISCO**" Recording. This specially created album for Banks is available for the first time ANYWHERE, for opening Christmas and Chanukah Clubs. Now you can capitalize on the DISCO PHENOMENON..

DISCO is the #1 premium preference in every age group, male and female, young adults, middle aged, and senior citizens..... In every economic group. In testing against other Christmas bank premiums such as Ceramic Tiles, Christmas Tree Balls, Mugs, Candles, Decorations and Trays, our "**HOLIDAY DISCO**" scored an overwhelming 82% preference.

IT IS TIME FOR YOUR BANK TO GET IN STEP WITH THE DISCO BEAT.

"**HOLIDAY DISCO**" is offered to your bank on an exclusive basis in your trade area. With your order, we will include a program of merchandising aids, at no additional cost.

We offer a return privilege of up to 15% of the amount of your order. (Unopened cartons only, please). This amounts to a guaranteed sale.

The cost of this exciting premium is only \$1.89 per album. A fair market value for similar albums is \$7.98.

We want to send you a sample of the "**HOLIDAY DISCO**" album ABSOLUTELY FREE so you can judge for yourself the entertainment value it offers.

Records represent the best entertainment value and "**HOLIDAY DISCO**" makes a desirable gift for everyone, especially your customers, your employees and the families in your community.

"**HOLIDAY DISCO**"

This attractively packaged record album contains "THE MOST POPULAR HOLIDAY SONGS OF ALL TIME" arranged with the DISCO beat. For the first time, you will be able to offer your customers a Christmas premium that is entirely new and exciting, while still retaining the traditional warmth and joy of the Holiday Season. The melodies are all familiar, while the DISCO beat sparks new excitement into the festive spirit. Perfect for gift giving.... Perfect for holiday parties..... This album will capture everyone's heart and become standard holiday listening and dancing pleasure for many years to come.

SIDE A

**WE WISH YOU A MERRY CHRISTMAS
RUDOLPH, THE RED-NOSED REINDEER
LITTLE DRUMMER BOY
WHITE CHRISTMAS
JINGLE BELLS DISCO**

SIDE B

**SANTA CLAUS IS COMING TO TOWN
WINTER WONDERLAND
I SAW MOMMY KISSING SANTA CLAUS
SILVER BELLS
AULD LANG SYNE**

THIS ALBUM WAS RECORDED ON 24 TRACK DOLBY STEREO SYSTEM. MASTERING ON SCULLY-WESTREX EQUIPMENT.

© 1979 Universal Spectaculars, Ltd.

Simply request your FREE album of "**HOLIDAY DISCO**" on the attached form and mail it TODAY.

FREE SAMPLE REQUEST FORM

Date _____

UNIVERSAL SPECTACULARS, LTD.
600 Third Avenue
New York, N.Y. 10016

Re: **HOLIDAY DISCO**

Gentlemen:

We accept your offer of the **FREE SAMPLE HOLIDAY DISCO** record album so that we can listen to this music before deciding to select it as this year's Christmas Club premium. We understand that UNIVERSAL SPECTACULARS, LTD. will pay all shipping, handling and postage costs for the **FREE SAMPLE**.

- Does your bank use a Christmas Club Premium? _____
- How many premiums did you use last year? _____
- What premium did you use last year? _____
- Do you advertise your Christmas Club premium in:
 - (a) Newspapers _____, (b) Radio _____, (c) TV _____,
 - (d) Point of Sale Displays _____, (e) Direct Mail _____
- On what date do you start your Christmas Club deposits? _____
- By what date do you normally require delivery of the Christmas Club premium? _____
- By what date do you normally place your order for the Christmas Club premium? _____

NAME OF BANK _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
PERSON TO CONTACT _____ TITLE _____
TELEPHONE NO. _____

FILL IN AND MAIL TODAY



Merry Christmas

and

Happy New Year

Currier & Ives Trays Receive Accolades From Bankers Using Them at Christmas

“WE HAVE never had a Christmas club premium that was so well received as the Currier & Ives tray.”

“The response has been very favorable and many of our employees and customers think the tray is the nicest premium we have offered for the Christmas club account.”

“The response (to the Currier & Ives trays) was so favorable the first year that we decided to use them again in 1978.”

“The trays were fine quality material and our customers and visitors to the grand opening were surprised and pleased to receive one of these fine trays just for stopping by.”

“This was the fourth year we have used the Currier & Ives trays and response again was exciting.”

The above are typical of the responses being voiced by bank marketing officers using an attractive oval tray to make the Christmas season more profitable for their banks. The trays, manufactured by Fabcraft, Inc., Frenchtown, N. J., bear colorful scenes from the Currier & Ives collection of prints. Four illustrations are available in the series, but the one entitled “winter” is the most popular during the holidays.

Tell City (Ind.) National used the trays last Christmas to generate a 62% increase in the number of Christmas club openings over figures for the previous year, says Mary K. Smith, assistant cashier/marketing, for the bank.

It was the first time the bank had used the trays, which are part of the line of trays and other premiums offered by Fabcraft. One tray was given at no cost to anyone opening a Christmas club account, but the offer was limited to one to a family — at least, the bank *tried* to enforce such a limitation!

Trays were available during a three-week renewal period in December, Miss Smith says, and about 1,000 were distributed. It was the first time the bank had used a premium to promote Christmas clubs and the premium's availability was advertised in the newspaper and with radio spots.

Lake County National, Painesville, O., offered the same style tray to anyone opening a Christmas club from

the end of October to Christmas. It was the first time the bank had used the trays; in previous years items such as figurines and pressed glass had been offered. According to Hilda Scott, director of community relations for the bank, an increase of “at least 10%” in the number of clubs was realized. About 5,000 trays were moved during the promotion.

Decatur County Bank, Greensburg, Ind., has been offering the trays for four years. Since the series of trays includes four scenes, the bank has offered a different scene each year, ending last year with the winter scene.

According to Bob Bostic, assistant cashier, “Customers looked forward to completing their four seasons with the tray this year and their smiles of appreciation were evident.” Trays were offered only to those opening accounts totaling \$150 or more; those opting for smaller club accounts received Christmas tree ornaments with Currier & Ives prints embossed on them.

The bank dispensed about 850 trays and the total number of new accounts jumped about 10% over the year-earlier figure. Mr. Bostic has noticed the trays on display in homes of customers. He said he was offered refreshments at a local party recently that were served on the bank's trays.

Each year the bank has had a small quantity of trays left over, so this past year, the bank offered sets of four trays for sale to selected customers. The sets also have been used in public relations work during the year.

Owensboro (Ky.) National used the



This is the Currier & Ives winter scene tray that many banks have used to good advantage to promote Christmas club accounts or to gain goodwill at Christmastime.

trays as giveaways at the recent grand opening of its Towne Square Mall Branch. The opening was held during Thanksgiving time and lasted for two weeks. Customers and prospective customers attending the opening were given free trays and about 2,000 were distributed during the event.

Although the trays were advertised in the newspaper and on radio, word of mouth proved to be the best advertisement for the event. It wasn't long before customers were returning to the bank to ask for additional trays, but bank personnel discouraged second-timers.

According to Howard Ramsey at the bank, the trays are inexpensive yet make a good impression when used as gifts.

Bank of Nortonville, Kan., uses the trays as free gifts to customers at Christmastime, according to J. W. Prickett, president. “We just give them to our customers as they come into the bank during December and the first part of January. During the year we sometimes give them to new customers as they open accounts. The response was so favorable the first year that we decided to use them again in 1978,” he said.

The bank also gives away free apples from an apple barrel in the lobby at Christmastime.

Over the years, other banks have reported making good use of Fabcraft trays.

Tri-City Bank, Bristol, Tenn., credits the trays for generating more than 2,500 new Christmas club accounts, involving almost \$200,000 in new money for the bank. The bank offered one tray free to each person opening a \$1 or higher Christmas club account. The promotion ran at the bank's six offices for almost two months.

“This was a very successful promotion, not only from the standpoint of club savings, but from the excellent goodwill garnered from showing our customers how to save systematically through the use of Christmas clubs,” said a bank officer. A total of 2,000 trays was distributed.

Humboldt (Kan.) National distributed more than 800 trays as gifts (one per family) during one of its annual week-long pre-Christmas open house celebrations. An officer says that some people who had missed the event came in later asking for trays. “Our customers were very pleased with them,” she said.

The officer reported that the bank ran short of trays just a few days before Christmas. A new batch was received in a couple of days so the bank could

continue rewarding its customers.

South Chicago Savings Bank offered the trays as part of its Christmas club promotion. In two months, 3,000 trays were given out and 2,846 new accounts were put on the books, representing more than \$114,000 in new money.

Clayton Bancshares, St. Louis, offered trays at no cost to customers of member banks agreeing to a monthly automatic transfer of funds from checking to savings in the amount of \$25 or more. Trays also were offered to customers agreeing to monthly automatic debits of the monthly payments for their installment or mortgage loans.

In less than two months after the offers were made, about 650 customers had qualified for the trays by signing up for one of the plans. ●●

Tray Makes Popular Memento Of Open House for Bank

What is it that makes a bank grand opening memorable for years after the event becomes history? Refreshments, tours of the bank, crowds of people?

All these things contribute to making such an event memorable, but one more thing is important — a souvenir, something those attending can take home and keep.

But the souvenir should be something people won't just file away in the basement; it should be something they want to display in their homes and offices — something like a commemorative tray with historical significance.

That's just what the people at Kansas State, Newton, thought about a souvenir to commemorate the grand opening of their new Main Office. As-



Tray created for grand opening of Kansas State, Newton, depicts scenes from city's past, plus three shots of bank's buildings. It proved to be a popular giveaway.

sistant Vice President David A. Nygaard came up with just the item — a metal tray depicting prominent buildings in Newton, including, of course, the new bank structure! Eleven photos were reproduced on the trays by the manufacturer, Fabcraft, Inc., Frenchtown, N. J. Photos used on the trays dated back as far as 1872 and included a scene of a circus parade, the Newton Feed & Elevator Co.'s flour mill and the first interurban cars in service.

According to Mr. Nygaard, the trays contributed to what has been termed the best grand opening the bank has ever had. Some 1,200 people lined the sidewalk for a block just before the bank opened its doors for the 6 p.m. to 11 p.m. opening. Trays were distributed on the basis of one per family.

After a tour of the new quarters, those attending the grand opening were treated to refreshments and the

music of a Dixieland band in a tent erected behind the bank. Orchids and toys were distributed and everyone enjoyed ice cream, popcorn and soda pop. A huge searchlight was positioned on the premises to draw attention to the event.

Mr. Nygaard says he knows the trays were popular with those attending the opening because he has seen them displayed in various homes and business firms in Newton. This makes him happy, partly because he knows that three photos on each tray are of Kansas State Bank! What better advertising could a bank get for the price of a round metal tray?

New Money Market:

Master Charge Puts Women In "I'm in Charge" Campaign

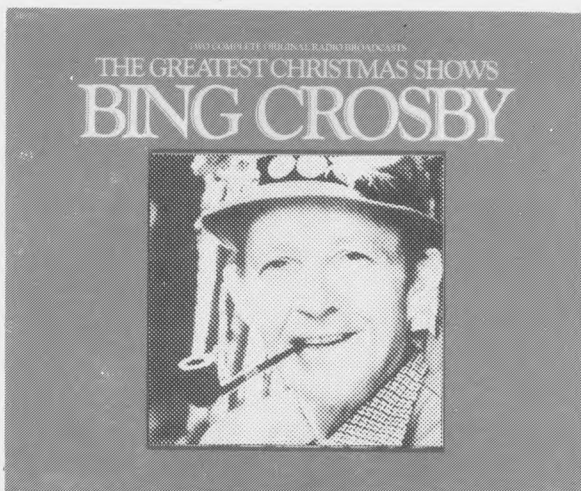
Interbank Card Association, New York City, has designed a multimedia campaign for the Master Charge card to reach the country's more than 41 million women who hold paying jobs outside the home and who generate more than \$250 billion in annual income. The campaign is being offered to banks as an option of the overall 1979 Master Charge advertising effort.

Full-color advertising in major national women's magazines began in May. It features true career women photographed at their jobs (by photographer Richard Avedon) surrounded by the "tools" of their trade.

The message is, "When you've got your job, you need your own clout. With your own Master Charge Card, you can say, 'I'm in charge.'"

Thirty-second, prime-time TV advertising and collateral materials are available to banks for use in tie-in promotions. The material includes a special women's financial management booklet; newspaper slicks; a working women's bank portfolio, which banks are encouraged to use to cross-sell their banking services to women; and an 11-minute video tape of focus group sessions, in which interviewees discuss their working-women status.

"Early on, we found that working women we interviewed around the country not only fully acknowledged the changing role of women, but almost unanimously believed the power to spend their own discretionary funds independently is the single most important indicator of their equality," said Eric Younger, senior vice president/marketing of the Master Charge licensor.



Spend Christmas exactly as audiences did when they listened to Bing's original broadcasts on radio. Two complete half hour shows with Bing & guests — including Bing's most famous Christmas songs.

CHRISTMAS CLUB RECORD PREMIUMS



CONTACT:
PETER H. VAN RAALTE V.P.

FOX AMERICAN RETROSPECTIVES
MF DISTRIBUTION CO., INC.
295 MADISON AVENUE
NEW YORK, N.Y. 10017

TEL: 212-686-5326

Still Your Greatest Christmas Attraction!*



Put a "Tin-Lizzie" in your lobby. Take color pictures of kids seated in the car with Santa standing by. Fill with toys, have a drawing on Christmas eve. Use in Christmas parades, display at mall and shopping center.

This is our busy season. So, please order now. Price only \$760.00.

Standard color scheme is red, black, gold. Gasoline engine, 3.2 HP. Pneumatic tires. Steel frame, body. Fiberglass fenders, running boards. Length 68". Wgt. 220 pounds.

TUCKER, I'M ECSTATIC! Please Rush _____ Super Tin-Lizzie(s) .

Firm _____

Address _____

City _____ State (Zip) _____

We understand we
are to be billed later.

My Name (Position) _____

(Selling the "Tin Lizzie" Since 1958)

BOB TUCKER • Box 1222 • Pt. Arthur, Tx. 77640



*** ALL CARS NOW SHIPPED WITH DELUXE
CHROME-PLATED ALUMINUM WHEELS! SHARP!**

Sparked by Bank:

'Shop at Home' Christmas Campaign Turns Tide for Rogersville, Tenn.

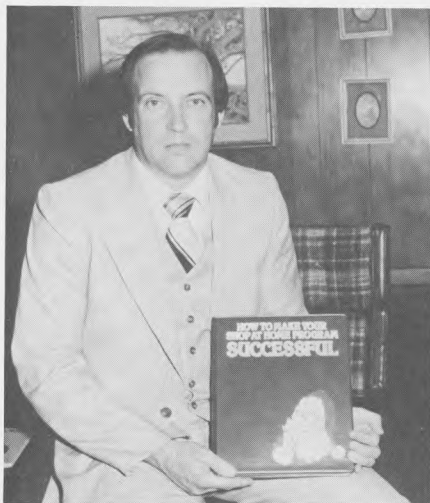
IT REALLY does pay to shop in your own home town — at Christmastime and all through the year.

These are the sentiments of a number of individuals who have seen impressive proof of the statement. They include Doyle Wilder, president, City & County Bank, Rogersville, Tenn., some 27 merchants in Rogersville and Dale Krebbs of Wichita, Kan.

Last Christmas, the merchants of Rogersville conducted an experiment of sorts at the urging of Mr. Wilder and with the assistance of Mr. Krebbs. The merchants of Rogersville had just about given up trying to keep local people from driving to other communities to do their Christmas shopping. There seemed to be no practical way to convince residents to patronize local merchants for Christmas gifts.

But Mr. Wilder found a way and it was proved successful last year in the community of 4,000 people in northeastern Tennessee. He arranged for his bank to purchase an advertising program from Mr. Krebbs called "Try Rogersville First." The personalized advertising programs include window posters, vinyl door stickers, counter cards, employee badges, a radio jingle with customized announcer copy, newspaper ads and an operational manual of ideas developed by more than 800 firms using the program over the past several years. Every item was emblazoned with the theme "Try Rogersville First."

Mr. Wilder then offered the program to the Hawkins County Chamber of Commerce and it was put to work as part of a county-wide effort to unify



Knowhow to put on Christmas shop-at-home promotion is contained in notebook held by Doyle Wilder, pres., City & County Bank, Rogersville, Tenn.

business. According to Mr. Wilder, the effort was to make Rogersville and Hawkins County as attractive to retail shoppers as possible.

Promoters of "Try Rogersville First" came up with convincing statistics that served to show residents that it cost them more to shop out of the area than it did to shop locally. Among the points made was the cost of operating an auto on a shopping trip. If the Internal Revenue Service allows 17¢ per mile to operate a car, Mr. Wilder says,

it's obvious that it's more expensive to drive out of town to shop.

Supplementing the ongoing "Try Rogersville First" campaign was a series of events that included a Christmas parade at which cash prizes were awarded to worthy entrants, Saturday movies for children to free parents to take care of their shopping needs, four cash drawings on Saturdays to bring people to the downtown area and free band concerts on Saturdays to attract weekend shoppers. "Merchants really worked together to generate and keep business at home," Mr. Wilder says.

Merchants know that the critical last three months of a year represent upward of 40% of their annual sales. Previous to last year, fourth-quarter profits hadn't been anything special in Rogersville because of the exodus of shoppers to other communities. But last year turned the tide, thanks to the "Try Rogersville First" promotion.

According to Mr. Wilder, retail sales jumped 34% over previous-year figures, based on sales tax revenues. Merchants were so pleased with the increase in business, they decided to form a merchants' association to promote year-round collective merchandising efforts.

Seldom can a single retailer, bank or chamber of commerce develop the unity throughout a city and county as was done with the "Try Rogersville First" campaign, says Mr. Krebbs. And seldom is there measurable results from public relations activities. But Rogersville proved it can be done, and in a short period of time.

The program cost the bank \$800, which is considered a small price to pay for convincing residents to shop in their own community. ●●

1,500,000th Gift to Be Canned This Year

THE COMING holiday season is expected to reach a milestone of sorts — someone will receive the 1,500,000th Can-O-Cash Christmas gift from a financial institution.

Can-O-Cash has been on the holiday scene for more than 10 years since it was developed by Advertising Concepts, Inc., Wichita, Kan., for First Bank, Salina, and Hutchinson National, both in Kansas. The original concept was to seal money in cans as Christmas gifts — a natural for a financial institution to "market" its product and gain goodwill for offering such a unique gift. Through the years, banks have been asked to can all sorts of items, including car keys, airplane

tickets — even a small sack of manure!

To commemorate the 1,500,000th can, the people at Advertising Con-



Traditional Can-O-Cash can with holiday bow (l.) is augmented by new Gift Barrel design for this year's Christmas season.

ON THE COVER

Doyle Wilder (l), president, City & County Bank, Rogersville, Tenn., examines window poster used to urge residents to shop locally at Christmastime. At r. is Phillip Beal, owner and manager, radio station WRGS, which broadcast specially prepared commercials promoting the theme "Try Rogersville First." Advertising program was purchased by bank from Advertising Concepts, Inc., Wichita, Kan. See adjacent article for results of promotion.

In the class of correspondent bankers, three Senior Vice Presidents head the list... Lynn Hobson, Gus Morris and Jim Newman. They also happen to head the Correspondent Bank Department at one bank... Memphis Bank & Trust. They carry those titles and that kind of responsibility for good reason.

Their experience and knowledge is senior among the area's correspondent bankers. Under their leadership,

Memphis Bank & Trust is building the fastest growing Correspondent Bank Department in the South.

With a full staff behind them, they deliver a range of services senior by comparison including: Transit, Data Processing, Visa and Master Charge, Draft Collection, Investments, Federal Funds, Safekeeping, Credit

Assistance, Loan Participation, Trust Services, Wire

Transfers and Business Referrals. They can provide expert advice on Insurance, Regulatory Affairs, New Banking Services, Advertising and Marketing, Training Personnel... even the designing of bank facilities.

Our seniors are pure class. Give them a call.

In Tennessee, 1-800-582-6277.
In other states, 1-800-238-7477.



The Senior Class '79





Santa's Cannery was set up in lobby of Security Nat'l, Duncan, Okla., to seal gifts in tin cans as part of Can-O-Cash service. Bank charged \$1 for service, which was matched by bank and donated to charity. Charity's auxiliary furnished women to staff the cannery.

cepts have offered to custom mount the can on a piece of walnut to make a plaque that will be presented to the bank placing the order that includes the magic-number can. In addition to the plaque, the sponsoring bank will receive a 50% discount on its Can-O-Cash program for 1979.

"Since every can used in Can-O-Cash is convertible to a coin bank and every can has the name of its sponsoring bank imprinted on it, there must be an awful lot of coin banks in existence that are doing subtle advertising jobs for sponsoring banks," says Dale Krebbs, president of Advertising Concepts.

Thank Customers

(Continued from page 30)

teller hand-signing beneath his or her picture.

The card's thank-you message read: "Happy holidays from your bank-by-mail tellers! We just couldn't resist adding our very best wishes for this holiday season and the new year to come. We have enjoyed serving you and hope you continue to count on Mercantile for convenient bank-by-mail service the year around." These cards were enclosed with all deposit receipts returned to customers in December.

It worked. The bank received many complimentary comments from cus-

tomers, and the bank-by-mail tellers got numerous Christmas cards — addressed to them individually — from the people they served. Others, in return, sent notes to the various tellers, thanking them for the thoughtfulness in sending the card.

With so many of today's bank services handled largely by machines, this is an idea that could be used in several areas — at least once a year — to remind customers there still are flesh-and-blood people employed at their bank.

The same idea could be used with relatively little added expense in the December mailings of check statements, installment loan receipts and other areas where customer contacts are largely by mail.

Try personal thank-you notes to VIP accounts. There's an old rule of romance that says: Don't make the girl guess that you love her — tell her! It's equally true in business including the banking business. Don't make an important customer wonder if his business is appreciated. Put it in writing and tell him.

The holiday season is an excellent time to wax a bit sentimental. And you may be surprised by the reaction you'll get from those customers you remember.

In a large bank, with many VIP customers, a split test of this theory was made. Most of the commercial-banking officers at year-end did what they had always done at that season — nothing. A few, however, experimented with a simple thank-you letter to customers they served.

The results were startling. Those officers who did nothing, of course, experienced no customer reaction. The few who sent the letter, however, really got a response. Though no answer was requested, these officers got many letters in return — telling the officer how much the *customer* appreciated the bank's service. Additional responses in a similar vein were received by phone. Almost every one of the customers receiving this letter responded in some way!

What made this letter such a powerful public-relations tool? For one, it was truly a personal letter — individually typed by hand and hand-signed by the officer. When appropriate to do so, the customer's first name was used in the salutation and the officer signed with his first name.

Whenever possible, each letter was changed to incorporate some highly personal data or reference such as mentioning a specific occasion or

Looking for New Christmas Ideas?

Santa can sell Christmas savings programs for your bank! If it wasn't for Santa's annual visit, there'd be no need for such programs! Learn how other banks have put Santa to work to boost their Christmas club accounts and create goodwill for their institutions. All you need is a copy of "How to Give Yourself Profit-Building Ideas for Bank Christmas Promotions." It's only \$8 and can pay big dividends for your operation. Use the order form on page 91 of this issue.

problem. In short, the letter seemed sincere because it was.

One other important point. Just before Christmas, the mails are clogged and this letter on an executive's desk would have a lot of competition. Christmas week, however, is a different story. So, to receive the most favorable attention, this letter was mailed to be received just before the new year.

How does a busy bank officer find time before Christmas to produce 100 or more such letters? Simple. He doesn't wait until Christmas to start. The letter copy is decided on early; specific references are noted for each name on the mailing list, and a secretary (confidentially) starts typing letters in her spare time, as early as October.

This public-relations effort costs little more than postage. It does require a lot of work. But it can do a terrific job with a highly important part of your customer market.

Here's a sample of the type of copy these letters contain. (If you use this idea, don't forget to add as many personal references as you can to each letter.)

Dear (name):

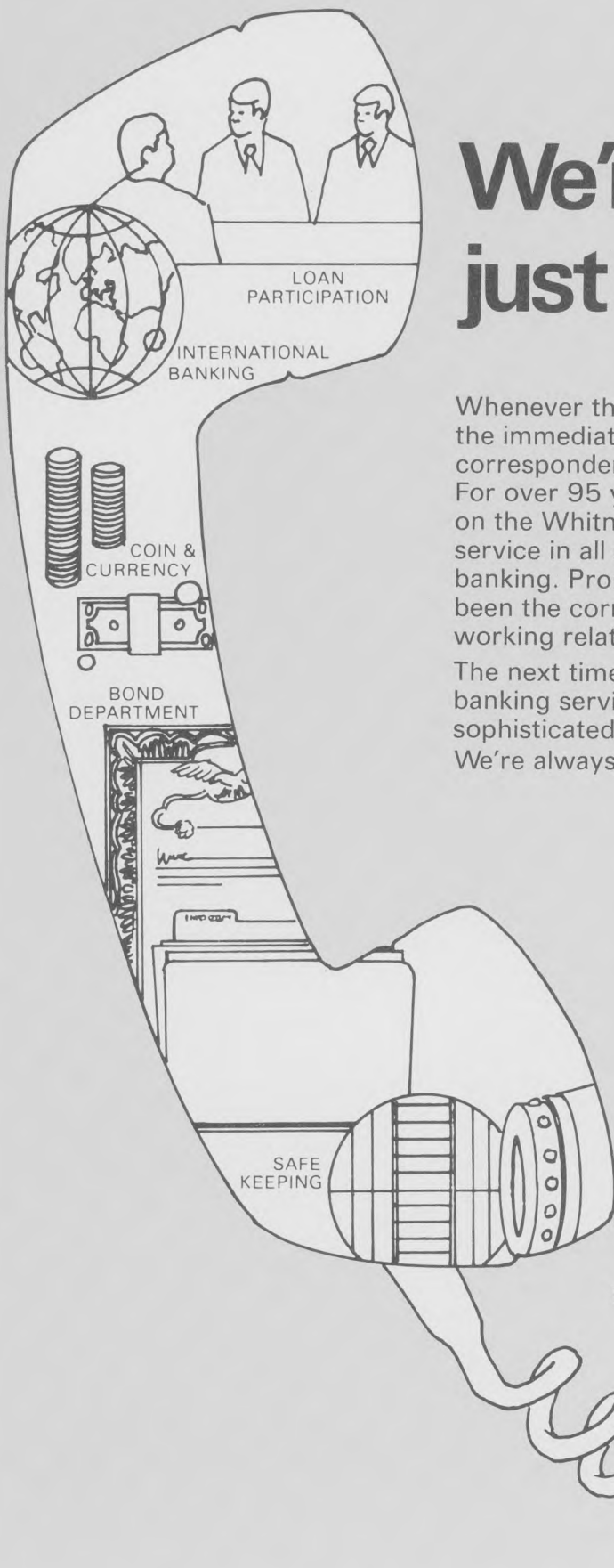
It just wouldn't be right to let this old year end without a word of thanks to you.

Your help and cooperation on numerous occasions brightened many moments of my business days. This may be an old cliché, but it's sincere — it was a pleasure to work with you.

It is one of the reasons we feel privileged to serve your account. Your business is appreciated. We hope our performance will always merit your friendship.

In the spirit of this season, I hope your holidays will be happy and that the new year will bring you the best of everything good.

Cordially,
(Officer's name)



We're always just one call away.

Whenever the situation arises that demands the immediate attention of a reliable correspondent bank, just call on the Whitney. For over 95 years, bankers have counted on the Whitney's expertise and dependable service in all areas of correspondent banking. Prompt personal service has always been the cornerstone of our successful working relationships.

The next time you need correspondent banking services, large or small, simple or sophisticated, just pick up the phone. We're always just one call away.

Use this WATS number for
Correspondent Banking
Department
1-800-535-9151
IN LOUISIANA USE:
1-800-562-9016

Whitney
NATIONAL BANK OF NEW ORLEANS
Reliability in banking since 1883

Warm Christmas Gifts:

Corning Ware Premiums Cook Up \$104 Million in New Accounts

CORNING WARE made some great Christmas gifts for Commerce Bancshares' customers — both for themselves and others — and gained the Kansas City-headquartered bank holding company a National Premium Sales Executive (NPSE) Premium Showcase award for the \$104-million-generating premium promotion.

In addition to winning the NPSE award in the consumer promotion category, Commerce Bancshares' audiovisual presentation of its premium program also won the "Grand Showcase" award at the group's annual convention in May in New York City. The latter award was voted on by those attending the convention.

Some 34,454 individual deposits were made at the HC's 36 banks during the four-month campaign. Some 23,197 deposits amounting to \$39,307,896 went into existing accounts and 11,257 new accounts were opened. Dollar volume for new ac-

By **KAREN KUECK**
Assistant Editor

counts, which included all new CDs, was \$56,679,097. The combined total exceeded the HC's \$60-million goal. CDs accounted for 39% of the new money, with a small portion going to Topper accounts — open-type certificates that yield 5½% and allow the depositor to make minimum \$25 deposits. More than 4,000 deposits were made to purchase additional premiums, averaging \$645 each.

The holding company found that 55% of the deposits were checks drawn on other banks — an indication it was attracting new customers and creating awareness within its markets, another of the HC's goals.

Although Commerce hadn't used a premium campaign in several years, HC management felt such a promotion was the best and fastest way to gain new savings dollars.

Because it is a well-known and respected product with a good track rec-



We're serving free Corning Ware to savers at Commerce Bank.

Large posters depicting attractive use of Corning Ware decorated bank lobby walls.

ord for generating deposits, Corning Ware was selected as the premium. Twelve units of Corning Ware's Spice o' Life line were offered to depositors of \$250 and up during the promotion which ran from September 4, 1978, through January 10, 1979. Items were free at some levels; others were self-liquidating with prices ranging from \$2.95 to \$23.95.

Commerce Bancshares used a heavy instate media mix to advertise the promotion. "Our campaign was supported by a 30-second television commercial, 30- and 60-second radio commercials, four-color and black-and-white newspaper advertisements, four-color statement stuffers, lobby and desk posters, billboards and employee buttons," says Carl Short, the HC's director of public relations. The promotion also included direct-mail, explaining the requirements and/or purchase prices of items.

Large posters showing mouth-watering foods being served from or cooked in Corning Ware decorated bank lobby walls.

The bank's literature stated "There's
(Continued on page 63)

Item Number	Description	Qualifying Deposit			Purchase price with Additional \$50 deposit
		\$250-999	\$1000-4999	\$5000 & up	
1	2½ Quart Store 'n See	Any	Your choice	Any	\$2.95
2	Rangetop Salt & Pepper	one			3.95
3	Petite Pan & Cover	Free	any	two	4.95
4	Store 'n See Set	1.95	one	Free	5.95
5	1½ Pint Sauce Pan	2.95	Free	Free	5.95
6	Pair of Grabits	2.95			6.95
7	2 Quart Loaf Pan	3.95	.95	Any	7.95
8	8" Square Cake Dish	4.95	1.95	one	9.95
9	Roasting Pan	6.95	3.95	Free	10.95
10	10" Skillet	7.95	4.95	Free	14.95
11	Menuette Set	11.95	8.95	3.95	23.95
12	Starter Set	20.95	17.95	12.95	

The biggest

club

in America!



"Join the Club!" is more than a hospitable invitation when you mean Christmas Club of America. Then it's an invitation to big business for banks — almost 5-billion dollars saved last year. It may be considered "found money" — without the Christmas Club incentive, how much of it would be on deposit?

Originated almost 70 years ago, Christmas Club a corporation has developed numerous proven methods of cultivating consumer deposits. And it *works* — whether through Christmas or Vacation or other special purpose club. Like nothing else, it succeeds!

The best time to start? Now! There is always a plan to fit your customers' needs for any time of year, easy to afford, complete with attractive promotion pieces and all the elements.

Get in touch today for everything your bank will need to build the biggest CLUB in your experience. Just write or telephone toll free and ask for Ms. Renée Brett: (800) 523-9334 New York, New Jersey, Maryland, Delaware; (800) 523-9440 all other states (except Pennsylvania); (215) 258-6101 Pennsylvania residents.

CHRISTMAS
club a corporation P.O. Box 20, Easton, Pennsylvania 18042

FOR CHRISTMAS "FABCRAFT" ANNOUNCES THEIR NEW CURRIER & IVES FAMOUS FOUR SEASONS IN "ONE" GIFT PACK.

BEAUTIFULLY LITHOGRAPHED in Rich Full Color



HIGH QUALITY... Faithful reproductions of the Famous Four Seasons by Currier & Ives, - Winter, Spring, Summer and Autumn.

UNIQUE GIFT set of four mini oval Decorative wall plaques... 4 1/2" x 6"

Your customers will find many uses for them around the home.

DUAL PURPOSE premium for Christmas Club or year round use.

CONVENIENT TO STORE AND DISTRIBUTE... Each set of four individually gift boxed. Packed 36 sets of four to a master carton.

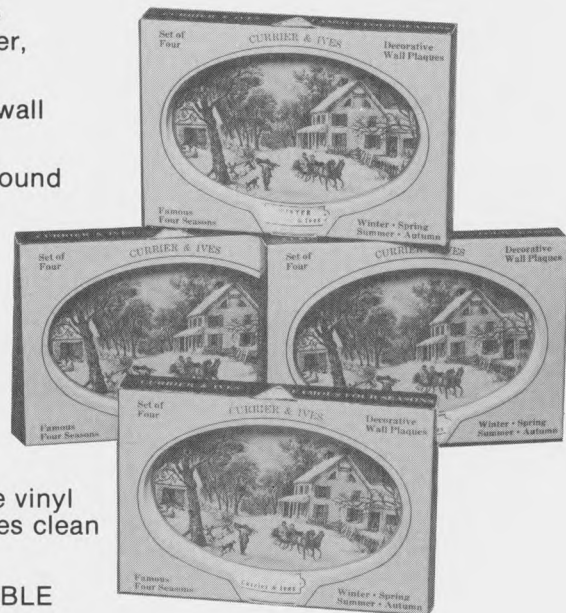
FOUR TABS for hanging included.

EASY CARE METALWARE - The tough, durable vinyl coating protects against marring, staining - wipes clean with a damp cloth.

DISPLAYS, AD REPOS, & GLOSSIES AVAILABLE

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ENCLOSE \$2 TO COVER POSTAGE & HANDLING





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& Loans, and
Chambers of
Commerce have
proven our
programs help
you keep
holiday
shopping
dollars AT
HOME

advertising concepts, inc.



Here's
Your Best
COMMUNITY RELATIONS
PROGRAM

we provide everything

Keep Holiday
Shopping Dollars
At Home

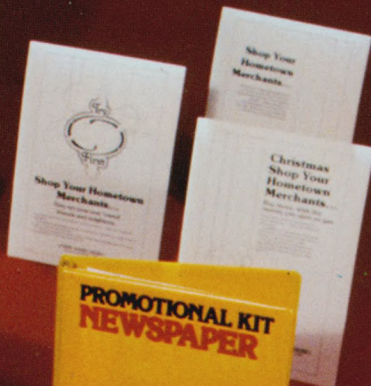
Personalized
Sponsor
Posters



Personalized
Window
Posters



Newspaper
Ads



Sponsor
Distribution
Bags



Three
"How
To
Do It"
Manuals



Personalized
Musical Theme



Personalized
Radio
Commercials



Personalized
Door
Stickers



Personalized
Employee Badges



Personalized
Counter Cards



The "Shop At Home Program" proven in over 700 cities

advertising concepts, inc.

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Choose From TWO THEMES

*Fully Personalized
to YOUR town!*



Operational Manual of
ideas developed by over
700 firms



Complete
Operational
Manual...
provides every
step for a
successful
program.

(Your Town)

- Check-List
- Kick-Off Details
- Retailer Letter
- Additional Ideas
- Follow-up Survey

MATERIALS	Program A \$850*	Program B \$1065*	Program C \$1495*
Window Posters (Personalized)	200	300	1,000
Counter Cards (Personalized)	200	300	1,000
Door Stickers (Personalized)	200	300	1,000
Merchant Badges (Personalized)	7,200	15,000	21,000
Sponsor Distribution Bags	200	300	1,000
Newspaper Advertisements	9	9	9
Customized Radio Jingle (Personalized)	1	1	1
Customized Radio Commercial (Personalized)	1	2	3
Sponsor's Lobby Posters	10	20	30
Logo Sheet for Newspaper	125	200	450
Operations Manual	1	1	1
Radio Manual	1	1	1
Newspaper Manual	1	1	1

"I want to tell you of the tremendous success we have had using your "Try Asheboro First" Shop At Home Campaign"

John K. Powell
Director of Marketing
The Planters National Bank
and Trust Company
Rocky Mount, N.C.



THE PLANTERS NATIONAL BANK and TRUST COMPANY

April 2, 1979

Mr. Dale Krebs, President
Advertising Concepts, Inc.
260 N. Rock Road, Suite 260
Wichita, Kansas 67206

Dear Dale:

I want to tell you of the tremendous success we have had using your "Try Asheboro First" shop-at-home campaign.

Asheboro has to be classified as the toughest market for our bank. We compete there against the largest bank in the state, an extremely strong local bank and another statewide bank similar in size to our own.

Last year, we searched for almost nine months for some type of program to help us build a local image in this community. We produced several campaigns internally and in cooperation with our own advertising agency which simply did not do the job. One of the ads which we ran in the market won nationwide recognition. None of the programs we tried had any significant effect on the market until we used the "Try Asheboro First" program.

We were skeptical of the program and introduced it in a very low-key manner. After we introduced the program, the local Chamber of Commerce passed a resolution praising our efforts and has approached us to cooperate actively with us in sponsoring the program this year. We had merchants from the surrounding area coming to our bank unsolicited to request the material. Few advertising programs I have ever used have come close to doing the job for which it was intended as has "Try Asheboro First".

To sum up, this year we are going to use the program not only in Asheboro but also in three other markets where we are adjacent to major cities. Our bank is a \$320 million dollar bank with 35 offices in 17 cities. Although we have the ability to develop solid advertising programs internally, nothing we have ever used has had the success of this one.

Thank you for this excellent program and the fine cooperation you have given us in implementing it.

Sincerely,

John K. Powell
Vice President
Director of Marketing

713 MARKETS

Warsaw, IN
 Griswold, IA
 Spencer, IA
 Baxter Springs, KS
 Holton, KS
 Hutchinson, KS
 Newton, KS
 Paintsville, KY
 Paris, KY
 Crestonsburg, KY
 Westertown, MD
 ...land, MD
 ...nc, MI
 Ox...
 Plymo...
 St. Josep...
 Brainerd, M...
 Amory, MS
 Holly Springs, M...
 Boonville, MO
 Camdenton, MO
 Chillicothe, MO
 Raytown, MO
 Trenton, MO
 Anaconda, MT
 Columbia Falls, MT
 Deer Lodge, MT
 Harlem, MT
 Fremont, NE
 Hastings, NE
 Holdrege, NE
 Artesia, NM
 Las Cruces, NM

Tucumcari, NM
 Rocky Mountain, NC
 Whiteville, NC
 Ashland, OH
 Massillon, OH
 Cushing, OK
 Duncan, OK
 Pauls Valley, OK
 Stillwater, OK
 Okemah, OK
 Bethlehem, PA
 Greer, SC
 Walterboro, SC
 Dresden, TN
 Ducktown, TN
 Elizabethton, TN
 Morristown, TN
 Rogersville, TN
 Canyon, TX
 Greenville, TX
 ...d, VA
 ...oyal, VA
 ...on, VA
 Edgerton, WI
 Eau Claire, WI

HAVE USED OUR SUCCESSFUL CHRISTMAS PROGRAMS!

**First Yes
 card received
 reserves the
 market!**



advertising concepts, inc.

260 n. rock road / suite 260
 wichita, kansas 67206 / (316) 684-0461

yes
 Reserve our market for
 program(s) checked.

call
 with additional details
 on program(s) checked.

mail
 details on program(s)
 checked.

- TRY (YOUR TOWN) FIRST
- CHRISTMAS SHOP (YOUR TOWN)
- CAN-O-CASH
- CALENDAR

Firm Name _____

Authorized By _____

Address _____

City _____

State _____ Zip _____ Phone _____

Here's
Your Best
PERSONAL ACCOUNT
PROGRAM

Offer your customers
the "perfect" gift
solution ...

can-o-cash.

Security National Bank, Duncan, Oklahoma used Can-O-Cash for the first time last year. The program provides 900 Christmas-labeled number two-sized tin cans, with lids, special sponsor-imprinted bows, a can sealer, an array of posters, badges and advertising materials. Any gift that fits into the cans can be sealed to provide real gift security from the "peek before Christmas" recipient.

Security National offered a new angle to its Can-O-Cash program last year by involving the Duncan Regional Hospital Auxiliary. Auxiliary members staffed the bank's in-bank exhibit and sealed the "canned" gifts that were brought in by bank customers. The bank charged 50¢ to each customer using the novel cans and the money was donated to the Auxiliary. According to Ed Apple, V.P.: "We're



planning on Can-O-Cash again for this year, and we'll probably order additional cans to take care of even more customers. It's a great feeling when you can involve your bank with the community in a meaningful way and benefit with measurable marketing success at the same time."

Reprint from Mid Continent Banker, July, 1978



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 3700 WICHITA, KANSAS

POSTAGE WILL BE PAID BY ADDRESSEE

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Wichita, Kansas 67206



You'll attract hundreds of customers to your lobby with **can-o-cash**®

*And the program
totally pays for itself.**

* Seal customers gifts in this special can
for 65¢ charge

- Ideal Charitable Fund Raiser
- Exclusivities Available



Nostalgic Gingham Label

New!! Rustic Label

**We supply
everything
for \$595**

- 900 Pre-labeled CANS
- 900 METAL LIDS
- 900 PLASTIC LIDS convert can to bank.
- 900 GIFT TAGS imprinted with sponsor's name
- SEALER
- PROMOTIONAL OUTLINE, ADS,
COUNTER CARDS, POSTERS, BADGES

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Printed for FRASER 260 n. rock road / suite 260 / wichita, ks. / (316) 684-0461

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Here's
Your Best
HOLIDAY
CALENDAR VALUE

**OUR
\$2.50***
calendar
exceeds
any \$5⁰⁰ calendar
we have seen.



M. Wayne Willis, Artist — Willis is recognized as one of our nation's leading wildlife artists. 13 scenes are reproduced for the first time ever in a calendar format.

**GIANT
SIZED**
14" x 20"

EASY TO READ
APPOINTMENT
CALENDARS

AMERICAN FOLK ART



- Opens to 14" x 20"
- Printed in highest quality four-color process on heavy 80# enamel stock
- 13 month calendar
- Sealed in vinyl bag

* Lower price available on quantity over 400

Claudia Hopf, Artist — This nationally recognized artist and author is an advocate of Scherenschnitte. This Swiss-German scissor art form is a technique of cutting one piece of paper in a continuous design. This calendar will be sought by collectors.

advertising concepts, inc.

260 n. rock road / suite 260 / wichita, ks. / (316) 684-0461

Bell-Ringing Christmas Ideas

Put Them to Work for Your Bank!

'Largest' Christmas Stocking Makes Friends for Bank

When a bank in Texas comes up with what it calls "the world's largest Christmas stocking," publicity is bound to develop!

That's just what Brady (Tex.) National came up with last Christmas, and the attention and publicity followed as surely as Santa's sleigh follows Rudolph the Red-Nosed Reindeer!

The people at Brady National wanted to do something for the children of the community last Christmas, but they didn't want their celebration to be ordinary and they weren't adverse to doing something that would make the bank look good in the eyes of residents.

So the Highland Marketing Group in Austin came up with the stocking idea. It was reasoned that curiosity would draw young and old alike to see anything as unusual as the "world's largest Christmas stocking" — not to mention that every parent in town would like to see his child win it!

The bank was in the midst of a three-month promotion designed to show that it "cared" for the residents of Brady. Management was attempting to dispell the image of a small town bank as being an institution that had no interest in the people in its trade area.

The stocking idea was seen as an opportunity for the bank to give something away for nothing — the last thing most people would expect a small-town bank to do.

Publicity was created inviting the public to come to the bank to register to win the eight-foot-long stocking which was filled with 25 toys, including a space game, a "Star Wars" puzzle, a stuffed toy of the popular "Snoopy" in the Peanuts comic strip, a building blocks set and many others.

Anyone of any age could register for the drawing, which was held just before Christmas in the bank's lobby. The stocking was on display for most of



Brady Nat'l Pres. John Chism presents "world's largest Christmas stocking" to winner 10-year-old Lori Brink and her sisters after drawing. Stocking contained 25 games and toys.

the month of December.

A bank spokesman reports that traffic in the lobby throughout December was "terrific," and there was a feeling of goodwill that made the bank a festive place. The promotion tended to tie members of the bank's staff closer together and communicated to the public that the bank and its staff were expressing the true sense of Christmas, a spokesman said.

Bank President John Chism summed up the promotion by stating that it "was extremely well received by the public and it generated quite a bit of goodwill toward the bank and its staff."

Bank Ties Free Gift Wrapping To Christmas Club Sales

Amsterdam (N. Y.) Savings Bank tied its traditional free gift-wrapping service to boosting its Christmas club membership and improve customer renewals last year.

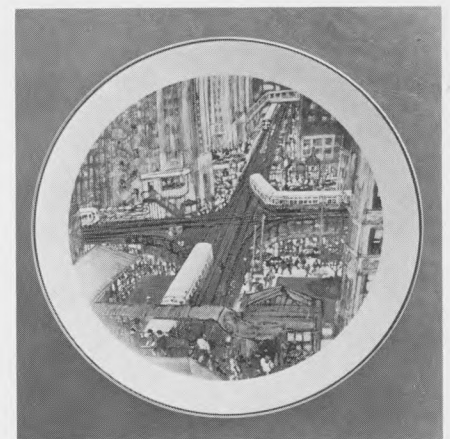
Some 12,313 gifts were wrapped during a four-week campaign which was headlined as "Let us wrap up 1978 for you!" More than 170 new Christmas club accounts were opened and nearly 50% of the total Christmas club deposits from 1978 were retained.

Customers were encouraged to bring their presents to any bank office between 10 a.m. and 2 p.m. Monday through Friday. Ads were supplemented with 60-second radio spots, lobby posters, employee lapel badges and flyers which were distributed to area shopping centers and retail stores.

Calls promoting the bank's direct-deposit Christmas club program were made to area businesses. As a result of one visit, a hospital enrolled more than 60% of its employees.

In addition, the bank's lobby was decorated with a trimmed 18-foot-Christmas tree. An organist played traditional Christmas music in the lobby.

Holiday Plates Depict Chicago Scenes



A freighter inching through Chicago River and "L" at rush hour, portrayed in water color by Chicago artist Franklin McMahon, were subjects of Continental Bank's 1978 holiday season collector plates. Two-plate set was available free to customers who deposited \$300 or more to new or existing savings accounts. Bank has offered savers McMahon plates since 1972.

Santa Claus Rings Make Hit With Kids

Christmas is a time for children and gift-giving. Granite City (Ill.) Trust combined the two last year and gave Santa Claus rings to customers' children.

Some 3,000 rings were given away by a Santa in the bank's lobby, by drive-up window tellers and by a



parking lot attendant. Also, various groups were given rings for school parties, according to Barry Loman, vice president.

The bank gave away the rings to enhance its image, not to attract new business.

Because the bank received so many compliments from its customers, the bank gave out Easter Bunny rings during Easter Week, Mr. Loman said. The rings were purchased from Wilson Premium Corp., Memphis.

According to Carlos G. Wilson, president of the premium company, the rings are non-toxic, meet all FDA requirements and are inexpensive.

Mechanical Christmas Display Attracts Midwestern Visitors

Toy drums go rat-a-tat-tat, batons swing up and down in time and children's faces — of all ages — smile each December while watching the latest Marshall & Ilsley Bank of Milwaukee's Christmas display.

The display is not confined to Milwaukee citizens' eyes because it has been attracting visitors from all over the Midwest since 1973, according to a bank spokesman.

Each year a collection of stuffed animals purchased from Steiff Toys, West Germany, via F. A. O. Schwartz

Toy Store, New York City, are outfitted for their parts as stars in the three mechanical vignettes.

Former vignette themes have included a barnyard scene, a jungle scene, company-at-the-table scene and others. Themes are chosen the spring before the showing by Mary Puelicher-Uihlein, daughter of J. A. Puelicher, the bank's president, and Judy Lapotko, advertising director. They are assisted by Bob Ethier, assistant vice president, Marshall & Ilsley Building Corp.

The vignettes — which are in the lobby and can be seen through the bank's windows — make their debut the first Saturday in December.

Employees and their children are invited annually to help trim a Christmas tree.

Although each part of each vignette has a blueprint place, it may take a while to get it in position. It's not surprising during the set-up day to see a banker dragging a large, stuffed zebra by its tail from one side of the lobby to the other to find its specified place. Or it may take half a dozen employees to find the perfect spot on the tree for an ornament.

Santa's Post Office, Paintings Bring Christmas to Bank Lobby

American National, Chattanooga, Tenn., sponsored two Christmas-related events last year — a showing of local artist's stylized Christmas tree paintings and Santa Claus letters.

The art show was held December 11-22 in the bank's main office lobby



Local artist Donna Karam with stylized Christmas tree painting displayed at American Nat'l, Chattanooga, Tenn.



Looking over Santa letters sponsored by American Nat'l, Chattanooga, Tenn., are Scott L. Probasco Jr., vice ch., and Santa.

and displayed Donna Karam's water color and acrylic paintings.

Customers or anyone who wished to send Santa letters could choose from five different pre-printed styles, each signed by Santa. After placing a stamp on an envelope provided by the bank, the letters were dropped in Santa's mailbox. Then the stamped, addressed letters were bulk mailed to Santa Claus, Ind., where they were individually mailed, each bearing the Santa Claus postmark. The letters were made available on November 1 with the last bulk mailing to Indiana on December 15th.

Employees Play 'Santa' To Needy Families

Each Christmas, the marketing division of First National, Louisville, adopts two or three needy families for the holiday. The employees prepare large food baskets, clothing and gifts for their "adoptees."

Usually gifts are blankets, radios or other items left over from branch openings or other bank promotions during the year. In addition, the staff contributes about \$100 to purchase food and toys. The gifts are delivered by an employee dressed as Santa a few days before Christmas.

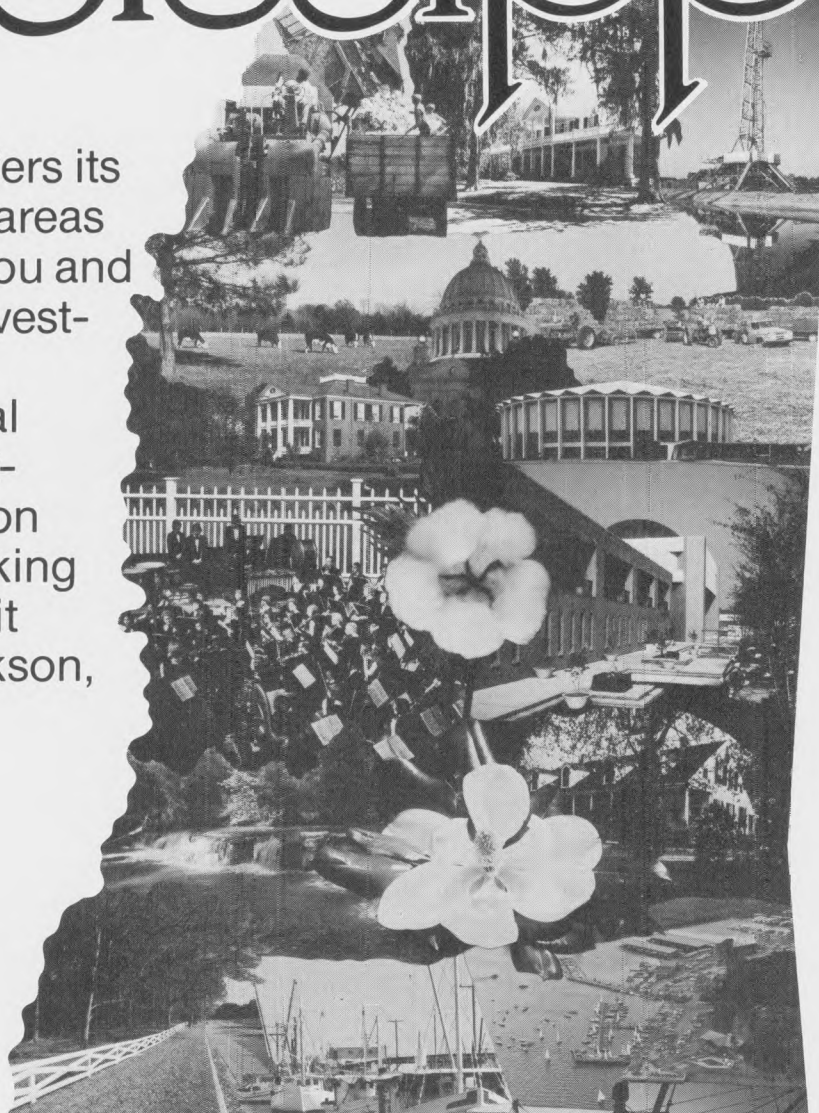
Several other bank departments, all working independently, sponsor other needy families.

According to a First National spokesman, these gestures are voluntary but most employees agree it provides an opportunity to enjoy the true spirit of Christmas — sharing with others.

(Continued on page 58)

Mississippi

Deposit Guaranty offers its services in whatever areas might be helpful to you and your customers in investigating Mississippi's potential for industrial or commercial investments. For information write Corporate Banking Division, One Deposit Guaranty Plaza; Jackson, MS 39205.



Grow with Us

**DEPOSIT
GUARANTY**
NATIONAL BANK Member F.D.I.C.

Jackson • Centreville • Greenville
Greenwood • Hattiesburg • McComb
Monticello • Natchez • Newhebron
Petal • and offices in Clinton and Pearl.

Payroll Deductions Offered For Christmas Club Payments

Citizens National, Evansville, Ind., has developed a sales tool that has boosted its Christmas club accounts and makes it easier for club account holders to make their payments.

The bank contacts firms for which it handles payrolls and suggests that these firms offer automatic Christmas club payment deductions to employees.

Participating firms simply submit lists of names of employees desiring the service and the bank's EDP department arranges for the automatic deductions.

The plan has been used by the bank as a sales tool to acquire new payroll servicing accounts.

According to Linda Burnworth, the bank's advertising manager, the service has helped make Citizens National's Christmas club the largest in the city.

Old-Fashioned Christmas Memories Stirred by Bank's Popcorn

The aroma of freshly-popped popcorn in December evokes memories of old-fashioned Christmases when candles and popcorn strands decorated trees.

The aroma and memories are recaptured annually at Brentwood (Mo.) Bank where corn has been popping in December for the last 10 years, according to Elias S. Gatch, vice president.

A replica of an antique popcorn wagon manufactured by Cretors & Co., Nashville, Tenn., is loaned to the bank by its owner, Wehrenberg



Holiday-time means popcorn-time at Brentwood (Mo.) Bank. Wehrenberg Theaters has loaned its popcorn wagon to bank each year during last decade.

Theaters, St. Louis, each year. Bank director A. Ray Parker is a Wehrenberg Theaters executive. The wagon also has a peanut roaster and special attachments for steam power.

During the holiday season, a bank hostess pops and distributes about two bushels of corn.

"A number of customers look forward to it every year," Mr. Gatch said.

New Christmas China Design

Salem China Co. has announced a new Christmas pattern, called Christmas Eve, that is available on nine pieces of china for pre-holiday incentive programs offered by financial institutions.



Salem China Co.'s newest pattern for 1979 holiday season is appropriately called 'Christmas Eve.'

Colorful trimmed Christmas trees, bright bells or Christmas stockings decorate a beverage mug, Christmas bell, candy dish/ash tray, coasters, 10-inch handled cake plate, two-tiered tidbit tray, three-piece place setting consisting of a 10-inch dinner plate, cup and saucer, and 12-piece starter set — four three-piece place settings.

Choir Makes Holiday Debut

Two holiday events held by Bank of Oklahoma, Tulsa, last year included the debut of its employee choir and exhibiting a 28-foot Christmas tree.

The tree, billed as Tulsa's tallest, was decorated with green and silver ornaments and bows, white lights and snowflakes.

Some 50 employees joined the choir which sang at noon each weekday for two weeks. The group represented different bank areas and had all levels of musical training. Choir director was a Tulsa Methodist minister.

In addition, employees kept their window shades drawn at night to contrast with the lights in the top office



windows which spelled "JOY" in the bank's 50-story tower. The sign was visible from 25 miles by car and was seen by airplane travelers.

Also, bank employees participated in the 23rd annual dress-a-doll contest. Dolls were on display for almost two weeks, then were given to the local Salvation Army toy shop.

School Choirs Sing in Bank

Last Christmas some 27 choirs from elementary, junior and senior high schools and churches in Montgomery, Ala., sang in the lobby of First Alabama Bank.

The bank publishes a list of participating choirs in the newspaper including the time and day they sing along with an invitation to the public to listen to the music.

Detroit Bank Displays Creche

Detroit Bank & Trust again exhibited a creche nativity scene last Christmas similar to those found in 17th and 18th century Italian homes.

The 1,000-square-foot exhibit included not only the Holy Family but also hundreds of miniature figures of villagers, farm animals and outdoor scenery typical of rural Italian communities 200 years ago. The exhibit was open to the public for about a month before and after Christmas.

Looking for New Christmas Ideas?

Christmas is a person-to-person season and your bank can instruct its personnel how to develop sales on a person-to-person basis! The know-how is contained in the manual "How to Give Yourself Profit-Building Ideas for Bank Christmas Promotions." It costs only \$8 and it can put your bank on the map at Christmastime! Use the order form on page 91 of this issue.

When mistakes happen, it's your neck



Why you need our new insurance package

Even in the best-run banks, something will go wrong sooner or later. And people today sue bank officers and directors at the drop of a comma. So we're offering a new insurance package tailored to suit your needs. You and your bank can have complete liability protection without paying for more coverage than the actual exposure warrants.

Our directors' and officers' liability policy protects you individually from "executive malpractice" charges. It also covers the bank when the bank indemnifies directors and officers. The policy can be extended to include the bank's fiduciary responsibilities to its employee benefit plan and Keogh and IRA funds. Another option is coverage of trust department

errors and omissions.

Trust department errors and omissions insurance can be extended to cover a variety of responsibilities, but only the ones that apply to your bank: stock transfer agent, registrar, trustee under bond indenture, dividend disbursing agent, fiscal agent, escrow agent or sinking fund agent.

You can also get full coverage for pension trust liability, an exposure greatly increased since the passage of the Employee Retirement Income Security Act of 1974.

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Financial Insurance Service, Inc.

1010 Meacham Road • Box 94099 • Schaumburg, Illinois 60194 • 312/884-3800

How About Appliances for Christmas — Courtesy Bank's 'Instant Interest' Promo?

CAN YOU imagine how Santa would get a Wide Screen 1000 color TV with a 45-inch diagonal screen down someone's chimney on Christmas Eve?

Whether or not the feat was possible, a good number of residents of the Louisville area found such gifts under their Christmas trees — courtesy of Liberty National, the "We'll go along with you" bank.

Not every lucky recipient received the giant TV; others were equally gratified to find microwave ovens and 17-inch portable color TVs in their Christmas stockings.

It was all part of an instant-interest CD promotion staged by the bank from November 20 of last year through the end of January. Bank marketers figured that they could move a lot of CDs and appliances over the Christmas period by offering quality General Electric appliances in lieu of interest. The three types of appliances were of-

fered to purchasers of six types of CDs. The amount of interest received — appliance plus any cash differential — was the discounted present value of the amount of compound interest normally received when the CD would mature.

Since the appliances were purchased by the bank at below retail value, the savings to the customer on the appliances more than offset the amount of interest received on a mature CD, says Russ Zaino, vice president, marketing, Liberty National.

He said the bank chose the GE appliances because it was felt they would appeal to a wide sector of the public. The appliance program also promised a minimum of inconvenience for the bank.

According to Mr. Zaino, the bank was absolved of managing inventory, and no appliances were handled by branch offices. General Electric delivered the appliances directly to the customer at his or her home, just like Santa would. In addition, all products are fully covered by GE's warranty, which means that any complaints or service problems are directed to GE, not to the bank.

The program worked as follows:

- The purchaser of a one-year, 6% CD in the amount of \$5,000 could select a 17-inch portable color TV at prepaid interest value of \$291 and no cash differential or a microwave oven at prepaid interest value of \$275 plus a \$16 cash differential.

- A purchaser of a five-year, 7¼% CD in the amount of \$1,000 could receive the portable TV at prepaid interest value of \$291 plus a \$13 cash differential or a microwave oven at prepaid interest value of \$275 plus a \$29 cash differential.

- The purchaser of a one-year, 6% CD of \$31,000 could select a Wide Screen TV at prepaid interest value of \$1,800 and a \$5 cash differential.

- The purchaser of a five-year, 7¼% CD of \$6,000 could receive a Wide Screen TV at prepaid interest value of \$1,800 plus \$24 cash differential.

About \$1 million in new deposits was attracted to the bank by the promotion, Mr. Zaino said. Of the 466 appliances moved, 281 were portable TVs, 166 were microwave ovens and 19 were Wide Screen TVs.

"The results were especially good in light of the economy and the competitive Louisville-area market," Mr. Zaino said. ●●

ORDER NOW FOR 1979 CHRISTMAS SEASON



INDOOR-OUTDOOR • LIFE-SIZE FIBERGLASS NATIVITY SET

Full-round, durable, in natural color or white. Standing figures nearly 6 ft. Order by set or piece.

3 piece starter set: \$ 895.00 [stable extra]
Complete 17 piece set: \$ 6485.00

ADDITIONAL FIBERGLASS FIGURES:

Life-size reindeer team w/Santa, sled - full round, fawn color or white. Order by set or piece.

Santa, sled, one deer: \$ 1125.00
Additional Deer: \$ 325.00

YOU MAY ORDER DIRECTLY FROM:



25 CHRISTMAS LANE
FRANKENMUTH, MICH. 48734

Liberty's Instant Interest

GE WIDE SCREEN 1000 HOME TELEVISION THEATRE "BIG PICTURE"
A picture three times bigger than any home set on the market today.

GE JET 87V MICROWAVE OVEN
The ultimate in radar ranges, 35-minute two speed timer, "power-on" light, three power levels for different cooking and recipe guide.

GE 17" PORTA COLOR TELEVISION
A beautiful walnut finish, 100% solid state chassis and custom picture control.

Liberty National promoted Instant Interest CD promotion with this photo, which appeared in newspaper ads and statement stuffer.



When Does a Pair of Aces Beat a Full House?

When you deal with Fourth National's Correspondent Bankers.

Fourth strives for quality, not quantity. **Gary Dobson** and **Tom Kellogg** represent 20 years of banking experience. They have the authority to be accurate. They give you answers fast.

So you don't have to remember an army of names. All it takes is two.

And it just takes one phone call. (918) 587-9171.

Call Fourth National.

 **Fourth
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Tulsa, Oklahoma. Member F.D.I.C.
The Bank for Banking Entrepreneurs.

Christmas Premiums: Profit Builders for Financial Institutions



ELECTRIC TRAINS

Thrift: Citizens Savings and Loan, Baton Rouge, La.

Premium: 49-piece Bachmann electric train set.

Offer: Customers making deposits of \$5,000 or more could purchase train sets for \$11.95; those depositing between \$1,000-\$5,000 could buy train sets for \$16.95.

Supplier: Affiliated Services, 7870a N. Babb Ave., Skokie, IL 60077.

Results: Some 200 new accounts totaling \$2.5 million were opened and \$750,000 was added to existing accounts. The S&L made a fine market share gain.



SILVER SERVER

Thrift: Terrebonne Savings & Loan, Houma, La.

Premium: Oneida Silver Server.

Offer: Free silver server when customer opened new Christmas club.

Supplier: Christmas Club A Corporation, P. O. Box 20, Easton, Pa. 18042.

Results: About 350 new clubs

were opened with most averaging \$10 per week. Premium campaign was advertised via newspaper, radio and direct mail.

We've cooked up some delicious gifts, with you in mind...

FREE or at special low prices, when you save at Merchants!

If you deposit \$100 or more to a new or existing regular passbook savings account at Merchants National Bank, we'll offer you a choice of 17 coordinated pieces of functional West Bend cookware. Many pieces FREE... others at special low prices. West Bend's "Royal Delft" cookware offers non-stick coating for easy, efficient cooking, in gold and brown earthen tones. That will blend into any kitchen decor! And with each additional deposit of \$50 or more, you may purchase more pieces of cookware at special low prices. See this beautiful West Bend cookware on display. Limited supplies, so stop in soon. Remember, your savings will be earning the highest interest allowed by law.



Here's how to qualify for exciting West Bend items:	With your new deposit to a new or existing regular passbook savings account, you'll receive one FREE GIFT or one purchase at a special low price as follows:	With each additional deposit of \$50, you'll receive one FREE GIFT or one purchase at a special low price as follows:		
A. 9" Saute Pan	FREE	Any	Any	\$ 3.95
B. 10" Covered Saute Pan	\$ 3.00	FREE	1 of these	1.95
C. 11" Square Griddle	3.00	FREE	Flat Irons	1.95
D. 10 1/2" Tea Kettle	2.00	FREE	2 of these	1.95
E. 12" Cast Iron Skillet	4.00	\$ 2.00	FREE	FREE
F. 8 1/2" Covered Saute Pan	3.00	FREE	FREE	7.50
G. 8" Covered Baker	4.00	3.00	FREE	FREE
H. 8-Cup Coffee Maker	7.00	3.00	FREE	FREE
I. 10" Covered Dutch Oven	7.00	3.00	FREE	FREE
J. 4-Cup Coffee Maker	6.00	3.00	FREE	FREE
K. 2-Qt. Slow Cooker	9.00	7.00	FREE	FREE
L. 30-Cap Coffee Maker	12.95	10.00	7.00	\$ 4.95
M. Hot Pot (Treat 'Em)	12.95	10.00	7.00	4.95
N. Pizza Baker & Grill	13.95	11.95	8.95	3.00
O. 16-Cup Automatic Drip Coffee Maker	16.00	13.95	10.95	7.95
P. 11" Electric Skillet	17.95	15.95	12.95	9.95
Q. Oriental Wok	18.95	17.95	14.95	11.95

Limit one FREE GIFT per account

The Merchants National Bank of Aurora

600 N. BROADWAY • LAUREL • AURORA • PEORIA • ROCKFORD • ST. LOUIS

WESTBEND COOKWARE

Bank: Merchants National, Aurora, Ill.

Premium: Westbend Cookware.

Offer: Deposits of \$100 or \$500 entitled customers to select a free gift from an assortment of cookware ranging from a saute pan to a pizza baker. Other items, such as a nine-cup coffee maker, a slow cooker, a grill and oriental wok, were given away or liquidated at various deposit levels.

Supplier: J. Edward Connelly Associates, 1020 Sawmill Run Blvd., Pittsburgh, PA 15220.

Results: Some 500 new accounts totaling more than \$1 million were opened. Existing accounts gained more than \$3 million. The bank merchandised its campaign first through its staff of 135 by preparing breakfast of scrambled eggs, rolls and coffee for them, using the

cookware. Each employee could purchase two of the 17 pieces offered. Statement stuffers were distributed via checking account statements, regular bank correspondence and by tellers at the Main Bank and the drive-in. The gold and brown cookware was displayed on a table draped with brown velvet.

CURRIER & IVES TRAY

Bank: Albion (Neb.) National.

Premium: Currier & Ives "Winter Design" tray.

Offer: Free tray when customer opened a new Christmas Club account.

Supplier: Fabcraft Inc., Frenchtown, NJ 08825

Results: Some 31 new accounts totaling \$6,000 were opened in this \$21 million bank. According to a bank spokesman the premiums were attractive, reasonably priced and attracted several new customers.



PEWTER BREAD TRAY

Thrift: Kentucky Enterprise Federal Savings, Newport, Ky.

Premium: Pewter bread tray.

Offer: Free tray when customer opened a Christmas club account.

Supplier: Christmas Club A Corporation, P. O. Box 20, Easton, Pa. 18042.

Results: About 900 Christmas clubs were opened. Premium campaign was advertised via newspaper, radio and lobby displays.

Corning Ware

(Continued from page 44)

no easier cooking than with versatile Corning Ware and there's no better way to save than at Commerce Bank. . . . Now you can enjoy both. We're serving free Corning Ware to savers at Commerce."

Bank employees supported the promotion by wearing orange "Spice is Nice" buttons. Bringing home-baked cookies and cakes and serving them to customers from the Corning Ware was

done in some banks. At other Commerce banks, Corning Ware was donated to home economics classes, churches and hospitals. Several banks had baking contests.

Distributing the Corning Ware among the 36 banks was not easy. The HC chose to warehouse the products in St. Louis and Kansas City and have banks call the warehouses to replenish their inventories because most banks didn't have much extra storage space.

The campaign's only problem was "the time of delivery from warehouse to the bank," Mr. Short says. "Truck

lines were not always concerned with timely deliveries."

Mr. Short says that the supplier, Carlson Marketing & Motivation, Minneapolis, was helpful during the campaign. "They suggested warehouses, inventory levels, reporting forms and internal operations," he said.

Net cost per \$1,000 of deposits gained was about \$2, Mr. Short says.

"We're extremely pleased with the whole promotion and it was well received by customers and employees," he added. ●●

Risk of Recession Grows Stronger, Fed's Miller Tells St. Louis Audience

RECESION fears of St. Louis business leaders were somewhat mollified by G. William Miller, chairman of the Federal Reserve, during a talk last month.

"We're probably not going to have a recession," Mr. Miller said. "That was my view last fall and early this year, and it's still my view." He admitted, however, that the risk of recession has grown in the past few months but he said there are enough positive factors in the economy to permit the U. S. to continue its growth, albeit at a slower pace.

He said there has to be a reason for a recession. "They don't just happen because of old age."

Factors he cited that could increase the risk of a recession include the unexpected disruption of oil production in Iran. But he stopped short of saying that the current energy crisis would result in negative economic growth.

"I still think the probabilities are against it, but the risk is greater," he said. "If there is a recession, I believe it will be mild." He noted that business inventories and other economic indicators that have signaled previous recessions have remained in what he terms a "remarkable balance."

Mr. Miller said that recent declines in the federal deficit, a stronger U. S. dollar abroad and a continuation of a restraining monetary policy are helping to moderate serious problems with inflation and energy.

He predicted that it could take from five to seven years to curb inflation. "If Americans expect instant response from moves to curb inflation, they will be disappointed," he said.

The current inflationary spiral has built up over a 12 to 14 year period, he explained, and it can't be brought down in six or eight months. "It will take five or six or seven years and in the

beginning we may just reduce the rate by one half or three quarters of a percent a year."

He said it will take some time for the primary anti-inflation weapons of monetary and fiscal policies to take hold. There's a "tremendous lag time" from implementation to results, he said.

He predicted that, if the U. S. fails to come to grips with inadequate spending on investment and a falling rate of productivity growth, the war on inflation may never be won. Capital spending accounts for less than 10% of the gross national product, Mr. Miller explained, which is half the rate of Japan. He said that U. S. productivity gains have declined to an annual rate of only 1% over the last five years.

"We can't continue that pattern decade after decade without becoming a second-rate economic power," he said. He called for congressional passage of a liberalized depreciation allowance to increase capital investments by business.

At a press conference after his talk, Mr. Miller called for passage of the Monetary Control Act, a bill that is intended to stem the tide of bank withdrawals from membership in the Fed. Resignations over the past six years have resulted in the Fed's coverage of national bank deposits dropping from 80% to 72%, he said.

"It's extremely important that we get this bill through," he added. The proposed legislation would extend the Fed's reserve requirements to non-member banks while lowering the reserve requirements for all banks.

"We need the change if we're going to win the fight against inflation," he warned, "because without it, the continuing exodus of member banks will make the implementation of monetary policy increasingly difficult."

Mr. Miller was in St. Louis to meet with directors of the St. Louis Fed and its branches. ●●



Left: Fed Ch. G. William Miller (l.) fields question at businessmen's luncheon from MID-CONTINENT BANKER Publisher Ralph B. Cox (r.). Right: Mr. Miller explains economic point at press conference in boardroom of St. Louis Fed.

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Make Appointments

(Continued from page 12)

fact, in some instances, particularly with smaller businesses, the prospective customer may be flattered by it.

3. The reputation of your bank, if it's a favorable one in your community, will also generate initial receptivity and reduce the inclination to reject you.

How To Prepare For An Appointment Request. Requesting an appointment is nothing more than a mini-sale of getting a prospective customer to allow sufficient time to discuss his needs and how you can help satisfy them. As with a face-to-face sales call, improving your ability to get appointments starts with careful preparation that includes the following:

1. *Determine whom to call* by developing a prospect list from such sources as:

- Customer files and prior call reports.

- Referrals from other bank officers, bank directors, satisfied customers, suppliers and influential people, such as attorneys, accountants, realtors, etc.

- Community contacts through trade associations, service clubs, civic activities, alumni and social organizations, etc.

- Purchased lists such as Dun and Bradstreet Market Identifier Service, state and city business directories, chamber of commerce and trade association rosters, etc.

When making an appointment in an organization where no prior calls have been made, we suggest you start at the top, since it's always easier to be passed by the chief executive to a key decision-maker at a lower level than to work your way up to a higher level. This is a quick way to identify and get to the person responsible for banking needs with the authority to act.

2. *Develop preliminary facts* to evaluate the prospect's potential and to tailor your appointment request. Because of the practical limits of your time, you should develop preliminary information about each prospect, such as type and size of business, sales and profit performance, key personnel and present bank, so that you can decide whether you really want the appointment, and to establish the relevancy or purpose of your appointment.

Sources you can use to develop such information include existing customer files, prior call reports, Dun &

Bradstreet and other credit agency reports, discussion with referral sources, industry and trade directories and your own prior experience with similar prospects.

3. *Identify likely needs* that can be your basis for requesting an appointment and provide the prospect with a beneficial reason for giving you a piece of his time. You should identify problems that can be solved, goals that can be achieved, or practices and performance that can be improved based on the facts you've gathered, your service capacities, or your previous experience with similar businesses or situations. For example, when seeking an appointment with a wholesaler, likely needs that can be used are "speed up cash flow," "improve financing of inventory or receivables," "reduce clerical costs," etc.

4. *Plan communication tactics* needed to get the appointment. Since the goal of requesting an appointment is limited to getting a portion of a prospect's time — not a service commitment — communication tactics needed to accomplish this can be abbreviated to the following:

- *Warm up* — to cultivate initial receptivity and start communication;

- *Offer beneficial reason* — to motivate prospect to set an appointment;

- *Suggest action* — to confirm time, place and other details of your appointment request.

5. *Precede phone call with preliminary letter.* This preliminary letter enables you to identify yourself and your bank and to indicate briefly why and when you'll be calling. This avoids the need to make a cold call, and provides a point of reference for initiating the appointment request. It also helps reinforce the importance of the call, and helps you get past the barrier of the protective secretary.

Cultivate Receptivity With a Warm-Up. Because phone communi-

cation is impersonal, it's essential to set the stage for your appointment request by first cultivating the prospect's receptivity. This minimizes the likelihood of his hanging up on you and establishes a positive, friendly climate for communication. It involves essentially the same common-sense human relations tactics used to warm up a prospect in face-to-face selling. Following are some of the more effective alternatives:

1. *Extend friendly greeting* — Greet the prospect by name, and identify yourself and your bank. For example, "Good morning, Mr. Harris, this is Bill Foster of _____ Bank." This tactic satisfies the prospect's need for personal identity and reduces his natural defensiveness by establishing who you are.

2. *Refer to mutual acquaintance* — Relate name of individual whom you know in common and who referred you to the prospect. For example: "Bill Johnson, your accountant, was in the bank last week. Based on some ideas that we discussed about how we've helped growth companies improve their cash management, Bill suggested it might be a good idea to call you." This endorses the importance of your call and generates some obligation to communicate with you.

3. *Refer to common or related experience* — Relate common or parallel experience that motivated your call. For example: "Dr. Weber, I've been working with professional men like yourself during the last year to help them improve collection of their receivables." This helps establish your credentials for making a possible contribution, and indicates that you have ideas and experience that the prospect could draw on.

4. *Comment on achievements* — Compliment prospect on accomplishments that you've determined through pre-call research. For example: "Mr. Barker, I was impressed with the article in Sunday's *Bulletin* which described your company's rapid growth during the last year. You must be proud of this achievement." This appeals to a universal desire for recognition and establishes that you've done your homework.

5. *Refer to prior contact* — Relate to any prior contact you may have had with the prospect at a service club, social gathering or community activity. For example: "Mr. Hansen, you may recall our meeting at the Chamber of Commerce luncheon last week, when we talked briefly about ways we've been helping local businesses improve their financial planning and management in this difficult economy." This

Looking for New Christmas Ideas?

Santa can put sizzle into your bank's Christmas selling promotion! There's no reason why all the holiday shopping should take place at the other locations on Main Street! Your bank can cash in on Christmas sales, too! For hints that can bring holiday shoppers to your bank, order a copy of "How to Give Yourself Profit-Building Ideas for Bank Christmas Promotions." The \$8 investment will reap large dividends! There's an order form on page 91 of this issue.

provides a bridge from prior social contacts to the desired business appointment.

Motivate Appointment With Beneficial Reason. When you request an appointment with self-gratifying reasons such as —“I’d like to discuss our Direct Deposit Service” or “I’d like to tell you about our bank” — there is a high probability that you’ll experience rejection, since you’re asking the customer to give you his time without any perceptible advantage to him. A more productive approach is to preface your appointment request with a reason beneficial to him that makes him want to share part of his time with you. Following are two ways to offer a beneficial reason for the appointment:

1. *Offer beneficial reason based on pre-call identification of most likely needs.* For example: “Mr. Barker, if you could reduce the costs of preparing your growing payroll by 15% or more, while improving your ability to get it out on time, would this be worth about 30 minutes of your time to discuss?”

2. *Offer beneficial reason based on experience with related situations.* For example: “From the experience we’ve had with other professionals in this area, Dr. Weber, there is a good possibility that we can provide you with some practical methods for turning your receivables into immediate cash, while reducing the time, effort and expense now involved in your present billing procedures. Would this be worth a small investment of time to discuss?”

In responding to your beneficial rea-

son, it’s not unusual for a prospect to ask — “What’s this all about?” While there is a temptation to try to tell the prospect what it’s all about, the limits of time as well as the need to define the prospect’s needs and to provide visual support to your verbal communication preclude doing this effectively over the phone. Consequently, a more effective way to answer the prospect’s question is to accept it as a sign of interest, and to suggest a face-to-face meeting that would provide a better basis for examining his needs and showing how your bank’s services and capacities could be employed to satisfy his needs. For example: “Providing you with an answer to your question would require a discussion of your present procedures and relating various options that might be used to help you achieve improved results. From past experience, this can be best accomplished through a meeting at your office requiring no more than 30 minutes.”

Confirm Appointment By Suggesting Action. After providing an appropriate beneficial reason for making an appointment, the final step in getting the prospect to agree to it is suggesting the action necessary to confirm appointment details. This involves the following:

1. *Suggest “next step” action to set the appointment.* For example: “To enable you to see how this might be accomplished, let’s arrange a meeting at your office to discuss your present methods and to examine various options that might be used to improve them.”

2. *Use “either-or” decision questions to get desired action.* The use of a choice of alternative questions makes it easier for a prospect to make a decision, while still leaving control of that decision in his hands. For example: “I can be available to meet with you tomorrow morning to discuss this. However, if that’s not convenient, I can meet with you later in the week on Thursday. Which is best for you?” or “Realizing how valuable your time is, Dr. Weber, would it be better to set up such a meeting for lunch, or would you prefer to meet on your day off?”

3. *Use suggestive questions to nail down added details as needed.* For example: “Realizing you might like to clear your desk before we meet — how would 10 a.m. be as a time?” or “Recognizing the value of your time, what would you think about getting together before the start of your busy day for breakfast?”

4. *Thanks for the appointment.* This is just good courtesy and helps to reinforce the value of the appointment in the prospect’s mind. For example: “Thanks for fitting me into your schedule on Wednesday, Doctor. I can assure you it will be time well spent.”

In our next “Let’s Talk Selling” article, we’ll examine the why, what and how of making dual calls. ●●

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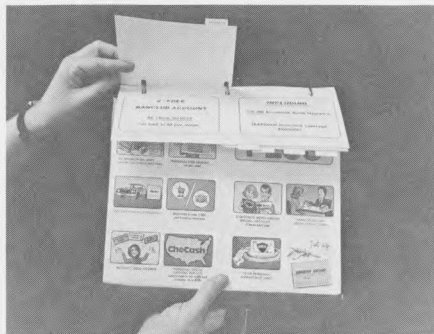
Flip Chart Increases BanClub Accounts

WHEN DO you start at the top and work your way to the bottom? When you want to dramatically increase the amount of revenue produced by your bank's checking accounts.

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Puget Sound National increased its BanClub customers from 46% to 72% during a three-month period last fall by using a flip chart developed by BanClub's originator — Financial Institution Services of Nashville.

BanClub is a package devised by the Nashville firm that offers no-minimum balance and unlimited check writing on a checking account; personalized checks; \$10,000 accidental death insurance; car rental discounts; savings at more than 1,000 hotels/motels; discounts, merchandise and special arti-



BanClub's new flip chart helped increase revenue at Puget Sound Nat'l, Tacoma, Wash. Accounts increased from 46% to 72% in three months.

cles in the BanClub Digest; rebates on new installment loans; no-charge travelers and cashiers checks and/or money orders and Checash — personal check cashing service of up to \$200 in more than 4,000 banks nationwide.

Like most banks offering package plans, Puget Sound National offers consumers alternatives to its top-revenue-producing plan. What's exciting about BanClub, however, is the way customers have responded to it.

"Frequently the customer will stop the customer service representative before she gets into accounts other than BanClub," says Don G. Vandenheuvel, the bank's vice president. "On those that go beyond the BanClub accounts, the value of the BanClub package is again reinforced when explaining the other types of accounts to the customers."

Like many banks, Puget Sound National operates in an extremely strong competitive environment. Some 101 banks, 27 S&Ls and 40 credit unions — a total of 168 financial institutions — vie for customers' money. Average deposits per institution are a little more than \$11 million. According to Mr. Vandenheuvel, averages for financial institutions in counties adjoining his bank's are similar but slightly higher.

"In the past year or so some of the credit unions in our market area have commenced issuing share drafts with no service charges to their shareholders and some of the thrift institutions also have commenced offering interest-bearing draft accounts," he says. "All major banks also provide automated teller machines for customer use. Some charge for the use of these machines. We do not.

"So you can see that the competitive environment is extremely strong. In the area of service charges they run the gamut from no-charge checking to as high as \$500 minimum balance or \$5 service charge."

Before being introduced to BanClub in 1976, the bank studied package checking accounts for four or five years and had always concluded that it would lose money on a package account, Mr. Vandenheuvel says.

"At the time we started our BanClub program in April, 1977, there were three banks in the area offering package plans — all designed on the 'gold account.' We introduced BanClub at \$3.50, \$4.50 and \$5.50, which through our analysis, we determined to be a profitable account. The program was an immediate success," he says.

Even so, its growth rate tapered off after the first year and "we were not growing as fast as we felt we should," Mr. Vandenheuvel says. "As a matter of fact, our percentage of new accounts opening as BanClub had dropped to 42%."

Part of the problem was that many of the customer service representatives were still operating under the old theory that the bank should determine what type of account is best for a customer and then sell the customer on that type of account, he says.

"What this meant was that generally the customer was being sold the least profitable account to the bank and not necessarily the best account for the customer," he says.

In addition to BanClub accounts, the bank offers customers an Econocheck account which costs 15¢ for each check written and a 2-Free Account on which there is no charge if a \$200 minimum balance is maintained. However, there is a \$2.50 charge if the balance falls below \$200.

Although the bank decided to raise its minimums and charges for its two non-BanClub accounts to 20¢ per check on Econocheck accounts and to \$3 or \$300 minimum balance in its other account, which has been renamed "Minimum Balance," the BanClub account charges were not increased.

Instead, with the aid of the flip chart, BanClub services other than free checks are emphasized to new and current customers. Among those ben-

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efits emphasized now are the accidental death benefits to holders of other types of accounts.

Service charges for adding BanClub services to other types of accounts are \$2 for the \$10,000 accidental death plan, \$3 for the \$20,000 and \$4 for the family plan in addition to normal service charges.

Since introducing the BanClub flip chart in selling accounts to customers in October, 1978, Puget Sound National reports BanClub growth as shown in the accompanying chart.

	1978			
	September	October	November	December
Econocheck	34%	24%	17%	18%
Minimum Balance	20%	16%	11%	10%
BanClub	46%	60%	72%	72%

As a result, says Mr. Vandenheuvel, "our service-charge income is up and the BanClub flip chart deserves some of the credit for this.

"The new flip chart for selling BanClub services provides a more

professional and more efficient approach to opening new checking accounts. More new customers are recognizing the value of the BanClub package and opting for that service, which also is more profitable to us."

He expects BanClub openings to continue to run 65% and to more than 70% as his bank continues to use the new-accounts desk material.

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BANK MARKETING ASSOCIATION

Train Premium Nets \$300,000 During Pre-Holiday Promotion

Railroads that were for sale at Orange National, Milford, Conn., during a pre-holiday premium campaign last year netted more than \$300,000 deposited in new and/or existing accounts.

A 61-piece Bachmann train, supplied by Affiliated Services, Skokie, Ill., was available for \$24.95 to customers who deposited \$250 in a checking or new or existing savings account. More than 300 trains were sold, according to Francis Gormley, a bank vice president and manager of the bank's Milford office.

Advertising started with newspaper teasers like "Watch for the train coming into the station," and was followed by the direct question on radio, "How would you like to own a railroad? You can, because Orange National makes it possible."

"The campaign was so successful that we've already ordered our trains for the 1979 season," Mr. Gormley said. "We will probably do it every year until we feel that it's worn out its welcome. But right now, I wouldn't miss it for this coming year."

Mr. Gormley had nothing but praise for his supplier, Affiliated Services. "They were extremely cooperative people. They supplied virtually all the advertising we needed, we just filled in the name of our bank. We've had an extremely successful relationship with George Lamping" of the Skokie, Ill., company.

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1979 To Be a Recession Year, But 1980 Will See a Recovery

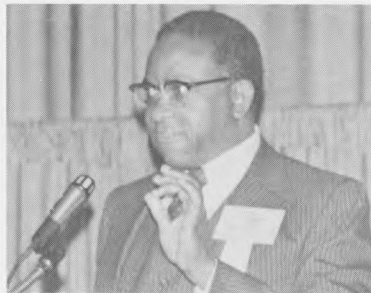
THE American economy is on the edge of a recession. This fact will become more evident as we move through the second half of this year. The coming recession is a by-product of accelerated inflation and the federal government's efforts to check the rise in domestic prices and to defend the dollar in international financial markets.

The Federal Reserve System, through a restrictive monetary policy, has played a prominent role in achieving the prospective slowdown in economic activity. The more restrictive budget policy of the Carter Administration has also contributed to the coming moderation. Reflecting these policies, jobs will grow more slowly and unemployment will rise appreciably.

These conclusions are amplified in the remainder of this article. But here are the highlights:

- During the second half of this year, the American economy will pass through a recession. Gross national product (GNP) corrected for inflation may decrease at a seasonally adjusted annual rate of about 2%. For 1979 as a whole, real GNP may expand by 2.4% vs. 4% last year.
- The level of unemployment (currently in the neighborhood of 5.8%) will rise over the next several quarters. The figure may average close to 7.0% next year.
- Despite the coming recession, inflationary pressures will remain strong. The consumer price index (CPI) may rise by 10.2% in 1979 com-

** Mr. Brimmer served as a member of the Fed's board of governors from March, 1966, through August, 1976. Brimmer & Co. is an economic and financial consulting firm based in Washington, D. C. The remarks on which this article is based were presented by Mr. Brimmer at the Illinois Bankers Association convention in Chicago last month.*



By **ANDREW F. BRIMMER***
President
Brimmer & Co., Inc.
Washington, D. C.

pared with 7.7% last year (measured from mid-year). Higher food and energy prices partly account for the accelerated inflation, but excess demand pressing on limited production capacity also has contributed to inflationary pressures.

• Moreover, the persistent rise in wages in excess of improvements in productivity has been a major source of inflation in the American economy. The situation will continue in 1979 — despite the adoption of voluntary wage and price restraints by the Carter Administration.

• As was to be anticipated, in the face of increased inflationary pressures the Fed adopted a more restrictive monetary policy during the last year. This course resulted in much higher interest rates and a lessened availability of money and credit.

• On the other hand, the Fed resisted pressures from the Carter Administration which sought substantially more credit restraint as the pace of inflation accelerated last winter. In retrospect, in the face of growing moderation in economic activity, the Fed adopted the right course.

• Looking ahead, I believe interest rates have about reached their peaks for the current expansion. From the

third quarter of this year through the middle of 1980, interest rates will decline moderately. However, in the face of continued inflation, one should not expect the Fed to ease credit restraints appreciably.

Economic Outlook. Week-by-week, the unfolding evidence suggests that the United States is on the edge of a recession — if not already in one. Among the latest signs are the slowdown in the growth of jobs in May and the substantial decline of 3.3% in the leading economic indicators in April.

I classify myself among those economists who believe that a recession is highly probable in the last half of this year. In the language of economics, a recession is defined as an actual decrease in gross national product after allowing for inflation (real GNP) for two quarters back-to-back. I believe the recession will begin in the third quarter and extend through the rest of the year.

In the January-March period, real GNP rose by 0.4% at a seasonally adjusted annual rate (SAAR). This small increase was in sharp contrast to the 6.9% gain recorded in the final quarter of 1978. Undoubtedly, part of the first-quarter slowdown can be attributed to bad winter weather, but it is also clear that the basic economic underpinnings (particularly residential construction) were also weakening. For the second quarter, real economic activity may display somewhat more strength (traceable mainly to a moderate expansion of consumer spending and nonresidential construction). As a consequence, real GNP may increase by 2.2% (SAAR).

In the third quarter, real GNP may decrease by 1.7% (SAAR), and a further reduction of about 1.9% may occur in the closing three months of this year. The third-quarter decline most likely will reflect decreases in real consumer spending, homebuilding

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Sincerely yours,
Edmund Hunsale
Edmund Hunsale
Branch Vice President
EH/joc

January 11, 1977

Bel Air Studio & Publishers
2606 Dixie Highway
Louisville, Kentucky 40216

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This is to let you know how very pleased we were with your pictures. Although we did not use the program to gain new customers, we feel very confident that the good will created by "our" give-away was well worth the effort involved. A good many of our customers have expressed their personal regards for the program.

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Sincerely,
Roger Powell
Roger Powell
President
RP/mjh

January 21, 1976

Mr. Fred Payne
Bel-Air Studios & Publishers, Inc.
2606 Dixie Highway
Louisville, Ky. 40216

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Just a line to thank you for all your cooperation and effort in our recent "Free Portrait" promotion. We were overwhelmed with the response it received.

Having recently opened a new branch location this "Free Portrait" promotion fitted our situation very well. We got a lot of traffic through our new facility not just once when the photograph was taken, but also, a second time when the proofs were viewed.

It's been a pleasure working with you and your staff.

Sincerely,
Michael C. Frederick
Michael C. Frederick, Vice-President & Branch Manager
North Harrison Branch, Corydon State Bank
MCF/jac

January 31, 1977

Mr. William C. Lacy
Bel-Air Studios & Publishers
2606 Dixie Highway
Louisville, Kentucky 40216

Dear Mr. Lacy:

I am writing to express the satisfaction of the American State Bank with your firm's family photograph program.

We have received many compliments and expressions of thanks from our customers in reference to the program. Many were especially pleased with the quality of the photographs.

It was certainly a pleasure to be associated with you and Bel-Air Studios and to be able to serve our customers with a quality product through our association. It is our hope that we will be able to offer the program again this year with equal success.

Yours very truly
M. G. McCullough
M. G. McCullough
V.P. & Cashier
MGC/mhc

December 10th, 1976

Mr. Fred Payne
Bel-Air Studios
2606 Dixie Highway
Louisville, Kentucky 40216

Dear Fred,

We at First Federal Savings and Loan Association would like to thank you for the excellent job you and your employees performed while working with our Association.

Needless to say, they were all professionals in their field.

We look forward to working with your company again in the future.

Should you ever want a recommendation, please feel free to call on me.

Thank you again, for a job well done.

Sincerely,
Wayne Wells
Wayne Wells
Vice President
Mw/jh

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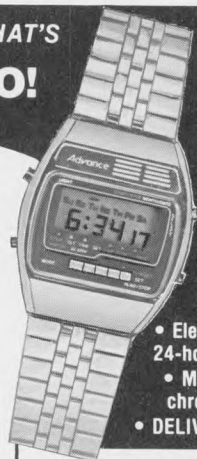
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and federal government purchases of goods and services. In the fourth quarter, total consumption and residential construction may shrink further, and business fixed investment may also register a moderate decline.

For 1979 as a whole, real GNP may rise by around 2.4%. Last year, the gain was 4.0%.

Consumer Spending. Total expenditures by American consumers may rise by roughly 2.5% in 1979, compared with an increase of 4.0% in the previous year. The moderation in consumer spending will be borne mainly by durable goods (which may rise by 1.8%). Spending for automobiles and parts

"I classify myself among those economists who believe that a recession is highly probable in the last half of this year. . . . I believe the recession will begin in the third quarter. . . ."

may be hit especially hard, and real outlays may decline by 0.6%. In the aggregate, retail sales of new automobiles may be cut from 11.3 million last year to 10.9 million in 1979. Within the year (partly as a result of much higher gasoline prices and increased worry about its availability), new car sales probably will decrease steadily — from 11.6 million (SAAR) in the first quarter to 10 million in the October-December months.

A number of forces will combine to dampen consumer spending enough to make the household sector a major contributor to the coming recession. For 1979 as a whole, personal income (after adjusting for taxes and the effects of inflation) may rise by about 3%. In 1978, the gain was 4.3%. As the recession brings reductions in economic activity, employment gains will slow and joblessness will increase. The continued high rates of inflation will exceed the expansion in compensation per hour. In combination, these factors will restrain the rise in real disposable income.

The heavy consumer debt burden also will put a rein on spending. In the first quarter of this year, extensions of consumer credit amounted to 20.1% of disposable personal income. The ratio is already declining, and it may be down to 18.5% by year-end. Repayments of consumer credit are now absorbing about 17.5% of disposable income, and the proportion may prevail through the rest of this year. In addition, mortgage debt service is taking

about 4.7% of after-tax income. Last year, the figure was 4.5%.

Homebuilding. In 1978, the housing sector was a major source of strength in the American economy. This year, the situation will be reversed and a significant part of the coming recession will stem from cutbacks in homebuilding. In 1978, housing starts totaled 2.007 million. In the current year, starts may drop by 19% to 1.627 million. The decline clearly already is underway, and the level of starts may fall to 1.582 million in the final three months of 1979.

The recession in housing can be traced to several causes. The much slower improvement in real disposable income will affect demand adversely. The significant rise in mortgage interest rates and the reduced availability of mortgage credit will have a negative impact. The cost of new residential construction will continue to climb (perhaps by about 10.9% this year compared with 12.4% a year ago). Moreover, while housing investment still will be viewed as a hedge against inflation by many homebuyers, the combined impact of the factors discussed here will make the housing sector a major source of economic weakness in the current year.

Business Sector. The coming recession will be quite noticeable in the business sector of the economy. Industrial production (which rose by 5.8% in 1978) may expand by 3% this year. Businessmen have been keeping a close watch on inventories and this caution will continue. Last year, inventory investment amounted to \$16 billion (in current dollars), and the same figure may prevail this year. However, the quarterly additions within the year may decline from \$17.5 billion (SAAR) in the second and third quarters to \$12 billion in the final three months of the year.

Business spending for fixed investment may expand in real terms by 5.6% in 1979 compared with a gain of 8.0% in 1978. The moderation in the growth of capital spending will be focused mainly on nonresidential construction, which may rise by about 4.2% vs. 11.1% last year. Expenditures for equipment may rise by roughly 6.2% compared with 6.7% in 1978.

If the above pattern of spending does materialize, capital spending would expand in real terms considerably faster than the economy at large. In fact, despite the growing prospect of a recession, businessmen have not — so far — cut back significantly on capital outlays. One explanation appears to be a strong management desire to accel-

erate the introduction of labor-saving equipment to improve productivity. The high rates of actual and anticipated inflation also have induced many businessmen to press ahead with capital outlays now because of a conviction that the same projects will cost more at a later date.

Nevertheless, higher interest rates and reduced availability of credit will tax business' ability to invest. As the year unfolds, real spending on fixed facilities will moderate considerably. In the first quarter, such spending rose by 5.3% (SAAR). The pace may ease off to about 4½% in the second quarter and to 1½% in the summer months. By

"The coming recession already is being foreshadowed by the slowdown in the growth of jobs. In May, total employment rose by only 144,000 (0.1%) to 96.3 million."

the fourth quarter, an actual reduction (perhaps close to 3.0%) may be recorded.

In the meantime, business activity will continue generally strong into the summer. To finance its activity in the face of continuing high rates of inflation and reduced corporate liquidity, the business sector has had to raise a sizable volume of funds in the money and capital markets.

Government Spending. Spending by the public sector will be a lesser factor in overall economic performance in 1979 than was the case in calendar year 1978. However, the relative roles of the federal, state and local governments may be somewhat reversed.

Real purchases of goods and services by the federal government may rise by about 1% in 1979 compared with a decline of 1.3% last year. State and local units may increase outlays by 1.2% vs. 4.2% a year ago.

The moderation in public-sector spending reflects growing resistance to the expansion of government at all levels. Although one can anticipate some increase in the federal government deficit this year because of the coming recession, no large-scale fiscal stimulus (such as accelerated spending on public works) should be expected.

Employment/Unemployment. In May of this year, there were 102.2 million persons in the civilian labor force. Of this number, 96.3 million were employed and 5.9 million were jobless. The overall unemployment rate was 5.8% — roughly where it has been

since last fall.

The coming recession is already being foreshadowed by the slowdown in the growth of jobs. In May, total employment rose by only 144,000 (0.1%) to 96.3 million. During the month of April, the total number of jobs fell by 668,000. (The April figure should be interpreted with caution because of several factors which distort the data. A trucking stoppage disrupted the economy in April. In addition, the monthly survey on which the estimates are based was taken during the week of Easter and Passover. All of these developments introduced a downward bias in the statistics.)

A more accurate picture is presented by a combination of the March and April figures. Over these two months, total employment rose by

175,000. The gain was only half the 350,000 average increase recorded over the preceding six months. The average work-week in May stood at 35.6 hours — down by 0.3 hours from March.

During the first quarter of this year, total employment rose at a seasonally adjusted annual rate of 4.2%. The quarterly increment will probably diminish rapidly as the recession unfolds. By the fourth quarter, the rise may be only 0.1%. For 1979 as a whole, the number of jobs in the economy may rise by 2.6% compared with 4.2% in 1978.

Outlook for Recovery. In summary, I expect the American economy to live through a mild recession during the last half of 1979. The recession will be caused primarily by a decline in

homebuilding and a reduction in consumer spending. A decrease in business fixed investment toward year-end will also contribute.

As 1980 gets underway, the economy should see a recovery. The mainsprings of renewed expansion will be increased real consumer spending, a revival of homebuilding and increased industrial activity. However, the recovery will be quite gradual. For 1980 as a whole, real GNP and total consumption may each rise by 2.0%. Business inventories (in current dollars) may increase by \$22 billion vs. \$16 billion in 1979.

Under these circumstances, only a modest increase in jobs (perhaps only 1 million) can be anticipated. As a result, the level of unemployment may average close to 7%. ●●

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Mr. Steel likes to be known as a person who was associated with banking for 50 years, all of it in downtown St. Louis. Few individuals can equal that employment record!

Earlier this year, Mr. Steel was feted by his associates at AIB with a retirement dinner at which he was presented with a large plaque (see photo) commemorating his two decades with AIB. He was the chapter's sixth executive director and his years on the job enabled him to work closely with many bankers who are currently serving as presidents of a number of banks in St. Louis and elsewhere.

He's proud of his part in promoting the growth of bankers through AIB. "AIB gives people exposure to banking in the right context," he says. "To serve on an AIB board, a committee or as a chapter president gives proper identity to the individual as a banker."

The people in the classes are almost as important as the course material taught, he says. Contacts made while attending classes or working in other capacities with AIB are good for upward mobility, he adds.

Innovations achieved at the St. Louis AIB Chapter under Mr. Steel's direction include establishment of diversified meeting places that enable more students to take classes; inauguration of a seminar-type format for courses; an annual senior executives' dinner with speakers from the banking world; several new courses, including a loss prevention clinic that has been

adopted into the curriculum of AIB on a nationwide basis; a course in human relations; and affiliation of the chapter with a secretarial school, enabling students to acquire secretarial skills.

Mr. Steel estimates that 30,000 bankers have taken courses at the AIB quarters in downtown St. Louis during his 20 years as executive director. Today's curriculum includes some 88 courses, compared to about 20 in 1959, when Mr. Steel left Boatmen's National to join the AIB staff. Prior to joining Boatmen's, he worked at Security Bank, St. Louis.

The greatest changes affecting banking in the last 20 years, according to Mr. Steel, are the impact brought about by computers, the development of the holding company movement and government regulations.

Mr. Steel is still on the job at the AIB office, but he's listed as a consultant now. He plans to call on banks in the area to promote AIB. He says he wants to learn the educational needs of bankers and help develop AIB courses to meet those needs. ●●



Pictured at surprise "retirement" party for Joseph G. Steel, exec. dir. for 20 years of St. Louis AIB Chapter, are (from l.) Mr. Steel; Rosemary Stallings, chapter pres. 1978-79, and trust officer, Bankers Trust, Belleville, Ill., and John M. Christensen, Mr. Steel's successor at AIB. Mr. Steel now is chapter's consultant.

● **Robert J. Moustakis** has been appointed director, training and professional development department, and Michael A. Lindahl, director/community banks department, at Bank Marketing Association, Chicago. Previously, Mr. Moustakis was vice president/director of staff development for Hubbard & Associates, Inc., a Glen Ellyn, Ill., financial institution consulting firm. Mr. Lindahl was formerly a marketing officer at First National, Fremont, Neb.

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just watch us go now.



We at Mercantile are proud to announce that James M. Spellings has been elected Chairman of the Mercantile Trust Committee and a member of the Office of the Chief Executive Officer. We look upon Mr. Spellings' joining us as both an accomplishment and a compliment.

Mr. Spellings brings over 23 years of distinguished banking experience, most recently as executive vice president heading the multinational division of another major bank.

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Does Your Bank Need More Capital?

*If the answer's 'yes,'
and it should be,
here's what to do*

By **EUGENE H. RUDNICKI**
Vice President
B. C. Ziegler & Co.
West Bend, Wis.

DOES YOUR BANK need more capital? A quick answer could be, "No! Our equity ratio is over 7.5%," or an answer could be, "We sure do, if what the examiners said after our latest examination is correct."

Now give the question a little more thought. The answer probably should be, "Yes, our bank needs more capital." If a bank doesn't need capital this year, it probably will next year or the year after next or sometime in the future. The answer has to be "yes" if the bank is a growing institution, and most banks today are growing.

Plan for the future. Don't wait for the regulators to indicate when more capital is needed. Instead, establish realistic long-range capital needs based on estimated asset growth. Decide whether you can satisfy future capital needs from earnings and still pay a dividend that will give your stockholders an adequate return on their investment. If future capital needs can be satisfied from earnings, you have a unique situation. Because of rapid growth, most banks will have to look for external sources of capital such as sale of common or preferred stock or subordinated capital notes.

There are a number of options available if you decide to sell common stock. Offer it to current holders in a rights offering. Or maybe a few current holders are willing to put in extra capital and increase their ownership percentages. If current stockholders are not interested or don't have the capital available, offer stock to your depositors and the general public. Depending on the size of the bank, you also may be able to find a national or regional investment firm ready to underwrite your stock offering, either on a "best-efforts" or "firm" basis. Of course, in either case, this will be diluting ownership or control of current stockholders.

If you can't sell common stock or

don't want to offer common stock because the current market price is not a realistic evaluation of the stock, consider offering preferred stock or capital notes. Although some regulatory approval usually is needed when you plan on increasing your capital in any form, you will find that regulatory agencies are less than overjoyed when you indicate your desire to raise capital other than through a common-stock offering.

" . . . Don't wait for the regulators to indicate when more capital is needed. Instead, keep the bank's ratios strong with either straight equity or a combination of equity and debt. Have a definite plan indicating where debt and equity will come from for future growth."

Having some expertise in this area, I would like to discuss issuance of debt capital, better known as subordinated capital notes. Here is where planning ahead for capital needs will be extremely beneficial. From conversations I have had with people at the Comptroller of the Currency's Office and the FDIC, it is my understanding that neither of these regulatory agencies will accept debt capital rather than common stock as readily as they have in the past. A bank is going to have to justify going this route instead of straight equity. Doing your homework in the past and working up good projections for the future will go a long way toward convincing regulators that your bank has a handle on its current and future capital needs.

If the bank is issuing the debt to augment a strong capital base rather

than as a substitute for needed capital, approval will come much easier. In other words, don't wait for the regulators to indicate when more capital is needed. Instead, keep the bank's ratios strong with either straight equity or a combination of equity and debt. Have a definite plan indicating where debt and equity will come from for future growth.

Having obtained approval from the regulators for a debt offering, you must make a decision on how the issue should be sold. Current common stockholders probably are not good prospects or you would have sold them additional common stock. First, you may want to sell your bank's debt directly to depositors and the general public. This has been used successfully in the past by some smaller banks. You must realize, of course, that such a plan could result in a recycling of deposits as people take money out of their savings accounts and buy the notes. Second, consider private placement of notes with another bank or an insurance company. Current regulations limit the amount of notes that can be placed with other banks. Third, you may go to an investment firm that will underwrite the notes. The largest banks have national underwriting firms available to them, while small to medium-sized banks can go to regional underwriting firms or to an underwriter such as B. C. Ziegler & Co. We are specialists in underwriting debt securities and underwrite bank capital notes on a firm basis and offer them to the public. Fees involved in underwriting may make this method more expensive than offering to depositors or private placement. However, it has these advantages: no recycling of deposits; no disruption of daily bank business created by offering to depositors through bank employees and fewer restrictions on future operations than private placement usually creates.

If capital notes are the answer to your bank's financing needs and you have determined to go to the public market through an underwriter, take time in selecting the one that can do the best job for the bank.

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Our loan participations can keep your liquidity fluid.

Maintaining liquidity in a time of high credit demand can be a severe problem. It can destroy your flexibility. Even worse, it can force you to turn away long-time customers at a time when they need you most.

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For more information, contact Curtis E. Skinner, Senior Vice President, The Northern Trust, 50 South La Salle St., Chicago, Illinois 60675. Telephone (312) 630-6000.

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capabilities to market issues, on a firm basis, at least as large or as small as your anticipated issue. It is important to choose a firm that can produce the needed results. This is another area in which your bank can profit from future planning. Have the underwriter, as well as the type of debt, decided on well in advance. Then you are not

under pressure to accept the first firm that talks to the bank when your capital needs arise. Also, the bank will be able to take advantage of market conditions and offer either debt or equity to take advantage of low interest rates or good stock-market conditions.

A more appropriate title for this article would be, "Yes, your bank needs

more capital." So, be prepared; keep the capital base strong; know where you are going, how much capital the bank is going to need, where it's coming from and also what kind it's going to be. Make capital adequacy as important in the bank's future planning as I'm sure profitability has been in the past and must be in the future. ••

Usury Rate Lifted by Mo. Legislature To Float 3% Above Treasury-Bond Rate

WHAT HAS BEEN termed "the most comprehensive piece of banking legislation in recent memory" was passed by the Missouri General Assembly in the concluding moments of its 1979 session.

Among other things, the legislation raised the state's usury rate, authorizing it to float at 3% above the monthly index for long-term government bonds. The ceiling would remain at 10% if the floating rate dropped below that level. The usury-rate hike took effect when the bill was signed by Governor Joseph Teasdale July 3.

Other portions of the bill will go into effect September 28.

The floating ceiling will be adjusted quarterly and the rate of interest agreed to when a note is signed will be applicable for the entire life of the note. The ceiling for the current quarter would be 11.4%, according to the Missouri Bankers Association.

The legislation raised the small-loan amount from \$500 to \$800 and permits 26.6% APR to be charged up to \$800 and 15% APR to be charged on amounts between \$800 and \$2,500. The usury ceiling is applicable to amounts above \$2,500.

Lenders may assess late charges for delinquent installment loan payments in the amount of 5% of the installment or \$5, whichever is less, with a \$1 minimum charge.

Bank credit cards currently may charge 18% on the first \$1,000 and the new legislation raises the rate to 22%. The interest ceiling above \$1,000 is 10%.

Retail store credit cards currently charge 18% on the first \$500 and 9% above that. The 9% has been changed to 12% by the legislation.

A second-mortgage act has been created and to qualify as a second mortgage loan a loan must be made for more than \$2,500. The interest ceiling on second mortgage loans is 16.5% APR.

Consumer protection remedies are tied to interest-rate increases:

- Repayment penalties for refinancing home mortgages within the first five years will be limited to 2% of the remaining balance under the new legislation. Currently there is no cap on the penalty.

- The bill provides for the specific right to sue lending institutions for loan denials on the basis of discrimination.

- The bill requires that notice of default be given on outstanding loans before foreclosure.

- Under the new bill, in cases of default, borrowers would not have to repay remaining balances if they had already surrendered their collateral if the amount financed were less than \$500 on security interests other than purchase-money security.

The bill creates anti-redlining legislation that prohibits discrimination on the basis of race, religion, handicap, age or sex. In addition, discrimination on the basis of the age of the structure or of the structures in the vicinity is prohibited. Unregulated state-chartered lending institutions (mortgage bankers) would have to submit periodic reports. Regulated lenders will be examined by the appropriate division director for the determination of any redlining practices. The anti-redlining section is restricted to lending institutions in Jackson County, St. Louis City and St. Louis County.

Record Home Mortgages Privately Guaranty Insured In 1978, Industry Announces

Mortgage Guaranty Insurance Corp. (MGIC) has reported that for the first time since its inception, the private mortgage guaranty insurance industry insured more home mortgages in 1978 than the Federal Housing Administration and the Veterans Administration combined.

Private firms insured 695,620 mortgages nationwide in 1978, compared with 661,327 home loans insured by the FHA and VA, according to the Mortgage Insurance Cos. of America (MICA), a Washington-based industry trade association. Total volume of private mortgage guaranty insurance during 1978 was \$27.3 billion, up 27% from \$21.6 billion in 1977.

By taking advantage of private mortgage insurance, says an MGIC representative, a borrower can obtain a home mortgage with down payments as low as 5% or 10%, rather than 25% to 30% down payment commonly required by home lenders.

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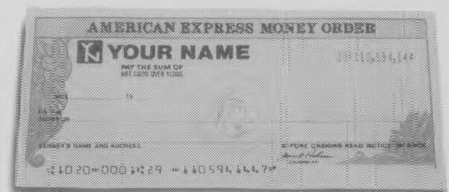
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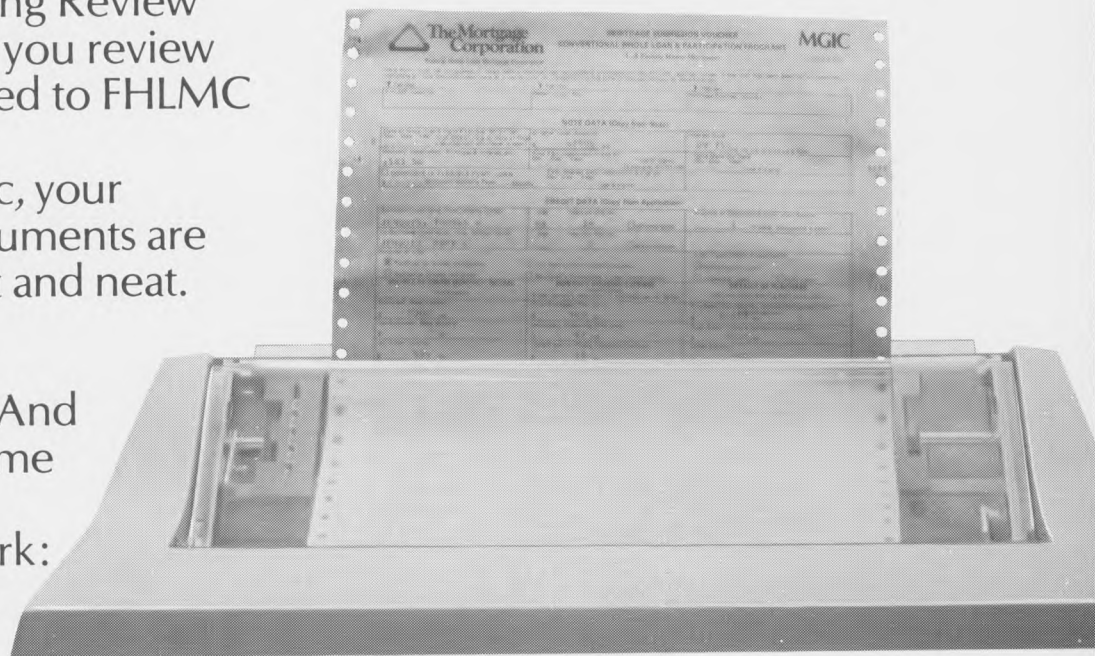
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Libby ATMs Boost Bank's Business 33%; Help Hold Down Operational Costs

LIBBY, the automated teller machine (ATM) system developed by Ouachita National, Monroe, La., has received a warm southern reception from customers of Rapides Bank, Alexandria, La. In fact, since introducing Libby to its customers, Rapides Bank has gained about a one-third increase in new accounts.

That increase alone justified the cost of installing the system, says Charles W. Barber, senior vice president; Rapides Bank. "Despite our growth, the machines have enabled us to cut slightly the number of paper transactions taking place at the bank. This is helping us hold down operational costs."

Concern that the ATM would not catch on in a small area (about 75,000 residents) was unfounded.

"As it turned out, the people were excited about the machines," Mr. Barber says. "Not only did younger people like Libby, but many older people found the machines easy and fun to use."

During the first month that the ATM network was in operation, more than 23,600 transactions were registered on five machines. That "figure was beyond our expectations and one which represents twice the national average for the use of ATMs," he says.

Mr. Barber says his \$190-million bank bought into the system to "sharpen our competitive edge among

three other banks in the area, one of which had been operating an off-line ATM for several years. With a computer interface, we would be able to cover a wide area of Louisiana, something none of our competitors were doing."

The Libby system is franchised to other banks by Ouachita National. Soon customers of 17 banks will have access to cash on 35 Libby ATMs in north and central Louisiana.

Computers at Rapides Bank and Ouachita National can communicate when needed, and cards held by depositors of both banks may be used interchangeably in both Libby systems for withdrawals.

For example, a Monroe resident who has a Ouachita National account may use a Libby ATM in Alexandria to withdraw cash from his Monroe account.

The Libby card holder, using his own bank's ATM, may make deposits or withdrawals, determine account balances, transfer funds from one account to another or make installment loan, credit card or Christmas club payments. However, if he uses another bank's ATM, he is restricted by state banking regulations to cash withdrawals.

More and better service were among motivations for joining the system.

"By giving 24-hour service, we were

confident that we could increase our share of the market in the Alexandria area and thus hold on to our leadership position. Also, we wanted to provide additional services to small banks in the community and other rural areas. And we wanted to shorten the lines of customers in our branches," Mr. Barber says.

Another side benefit of the ATMs is that now the bank does not need to extend its hours at its main office or branches to increase service.

"Not only would this (extending banking hours) be costly, it would be difficult in a community of our size to find qualified people who would work part-time," he says.

During the Libby promotional campaign, customers were shown how to work the ATMs by bank employees throughout the day, on evenings and Saturdays for three weeks at the five Rapides branch locations and at three ATMs at correspondent banks (one was located 70 miles away).

Also, the point was made that the Libby cards were not credit cards. "We stressed that the card used to activate Libby machines for different transactions was a debit or convenience card and that it was a safe and reliable way to gain access to one's money in the bank," Mr. Barber says.

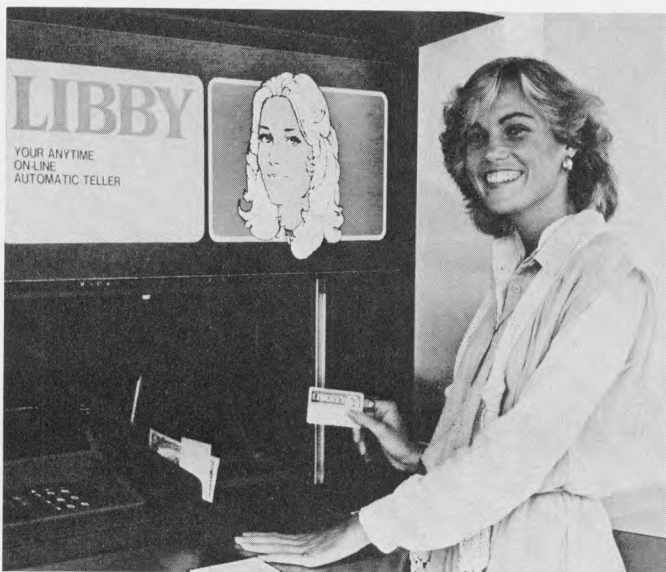
Ten days after mailing Libby cards, the bank sent personal identification numbers (PIN) to card recipients.

And Rapides Bank customers have been using those cards from the start.

"In October, 1978, some 59,230 transactions were made, which is an average of more than 11,750 per machine. During that period, our best machine — one located near a residential shopping center — registered 16,900 transactions."

Rapides Bank President Robert H. Bolton says, "We have had excellent results. The five machines associated directly with Rapides Bank, for example, registered more transactions than we counted during the same period at tellers' windows in our two largest branches combined."

Bank management is so impressed that it plans to install more Libby ATMs and build two more full-service branches to handle the increased number of customers. ●●



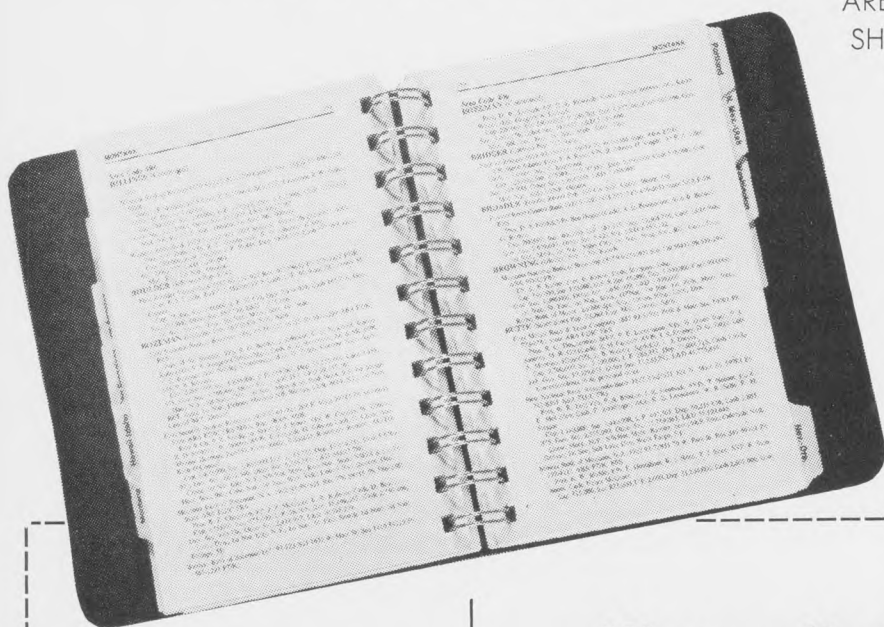
A one-third increase in new accounts is attributed to the Libby ATM system operated by Rapides Bank, Alexandria, La. System, franchised by Ouachita Nat'l, Monroe, La., is in use by 17 banks in north and central portion of state. System uses IBM 3614 machines.

THE 1979 BLUE BOOK

The completely revised 1979 edition of the **Western Bank Directory** will soon be ready. The leatherette-bound, pocket-size book with spiral wire binding is indexed for quick reference. It lists every bank and branch in ALASKA, ARIZONA, CALIFORNIA, HAWAII, IDAHO, MONTANA, NEVADA, NEW MEXICO, OREGON, UTAH and WASHINGTON.

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Pregnancy Discrimination Act a 'Baby Bonus'?

By **LIPMAN G. FELD, B.S., J.D.**
Kansas City

PREGNANT WOMEN now will get paid leaves at First Pennsylvania Corp., a Philadelphia bank HC. Removed will be previous dollar and time restrictions. Increased costs, of course, are on the way in most segments of the banking industry. What does all this mean? The *Wall Street Journal* calls it a baby bonus.

The Pregnancy Discrimination Act makes clear that discrimination on the basis of pregnancy, childbirth or related medical conditions constitutes unlawful sex discrimination under Title VII.

According to the EEOC, disabilities caused or contributed to by pregnancy, childbirth or related medical conditions . . . shall be treated the same as disabilities caused or contributed to by other medical conditions, under any health or disability insurance or sick-leave plan available in connection with employment.

Extra expense to the employer caused by this law and some businessmen's fears that women planning pregnancies will take preplanned short-term jobs to have their pregnancies paid for by their employers insurance plan make it necessary for many to read the new guidelines.

Will the law be used by women whose jobs are shaky to get pregnant in order to put their employers on the spot? I have been through one frustrating case like this.

The Equal Employment Opportunity Commission (EEOC) states only slight changes in guidelines have been made, such as adding after the phrase "pregnancy" the phrase "childbirth and related medical conditions." However, a wide new field is opened

up in employer expenses with these few words. As we shall see, "abortion" now is included in some instances, but not all.

A written or unwritten employment policy or practice that excludes from employment applicants or employees because of pregnancy, childbirth or related medical conditions is on its face a violation of Title VII (prima facie). Temporary disability can be caused by pregnancy, childbirth or related medical conditions.

Where the termination of an employee, who is temporarily disabled because of pregnancy, is caused by an employment policy in which insufficient or no leave is available, such a termination violates the act if it has a disparate impact on female employees and is not justified by business necessity.

New EEOC Pregnancy Policy Statement. Disabilities caused or contributed to by pregnancy, childbirth or related medical conditions, for all-job-related purposes, shall be treated the same as disabilities caused or contributed to by other medical conditions, under any health or disability insurance or sick-leave plan available in connection with employment. Written or unwritten employment policies and practices involving matters such as commencement and duration of leave, availability of extensions, accrual of seniority and other benefits and privileges, reinstatement and payment under any health or disability insurance or sick-leave plan, formal or informal, shall be applied to disability due to pregnancy, childbirth or related medical conditions on the same terms and conditions as they are applied to other disabilities.

"Health insurance benefits for abortion, except where the life of the mother would be endangered if the fetus were carried to term or where medical complications have arisen from an abortion, are not required to be paid by an employer; nothing herein, however, precludes an employer from providing abortion bene-

fits or otherwise affects bargaining agreements in regard to abortion."

The Pregnancy Discrimination Act requires that persons affected by pregnancy, childbirth and related medical conditions be treated the same as persons affected by other disabilities. To the extent that pregnancy-related conditions cause long-term or permanent disabilities, employees affected by such disabilities must be accorded the same rights and benefits accorded to other employees with long-term or permanent disabilities.

April 29, 1979, was the compliance

Unless the pregnant employee on leave has informed the employer that she does not intend to return to work, her job must be held open for her return on the same basis as jobs are held open for employees on sick or disability leaves for other reasons. Also, seniority policy must be the same for persons on pregnancy leaves.

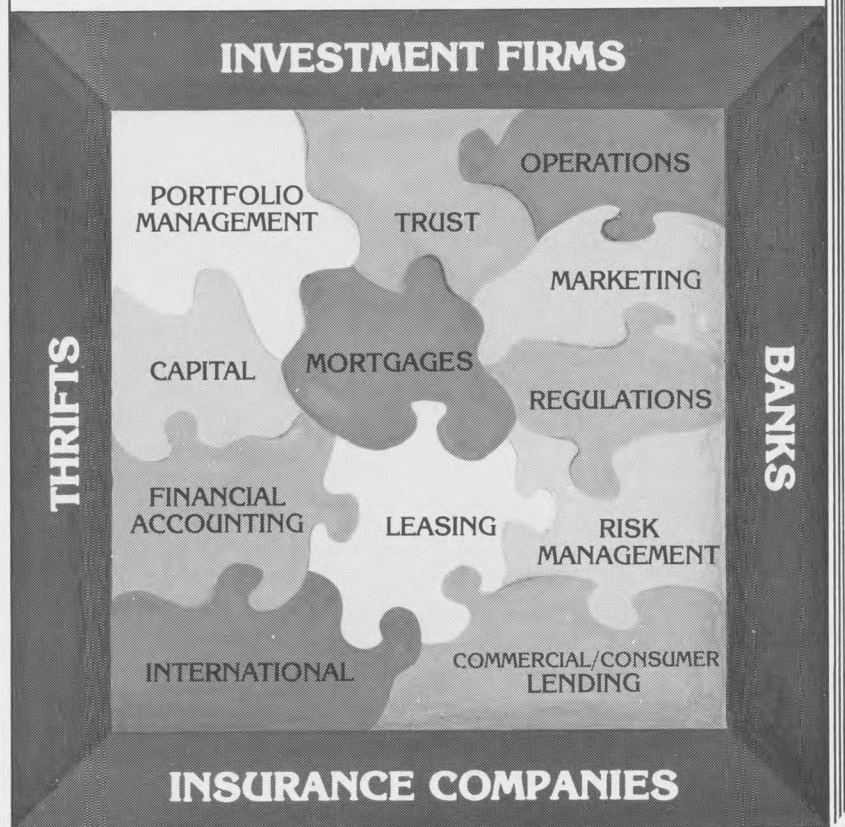
date for health plans not previously covering pregnancy. "Any fringe-benefit program, or fund or insurance program which is in effect on October 31, 1978, which does not treat women affected by pregnancy, childbirth or related medical conditions the same as other persons not so affected but similar in their ability or inability to work, must be in compliance with the provisions of 1604.10(b) by April 29, 1979. In order to come into compliance with the provisions of 1604.10(b), there can be no reduction of benefits or compensation which were in effect on October 31, 1978, before October 31, 1979, or the expiration of a collective-bargaining agreement in effect on October 31, 1978, whichever is later.

"Any fringe-benefit program im-

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plemented after October 31, 1978, must comply with the provisions of 1604.10(b) on implementation."

This addition was made to reflect the fact that Congress provided a grace period of 180 days to allow the amendment of fringe-benefit programs in existence on October 31, 1978, and that Congress further provided that neither benefits nor compensation could be reduced to effect compliance with the act.

Review Health Plans. Since the EEOC's position is that fringe benefits subject to Title VII that existed on October 31, 1978, must be modified in accordance with the Pregnancy Discrimination Act not later than April 29, 1979, it is important to those involved with such plans to review their rights and obligations. As usual, the EEOC did not give the employer much of a breathing spell. The guidelines were dated Friday, March 9, 1979, and were delivered gradually to Federal Register subscribers within a few weeks after that.

The EEOC minimizes the changes in its guidelines, but here they are:

What about women employees who gave birth before April 29, 1979? As of that date, when the act became effective, an employer must provide the same benefits for pregnancy-related conditions as it provides for other conditions, regardless of when the pregnancy began. Thus, disability benefits must be paid for all absences on or after April 29, 1979, resulting from pregnancy-related temporary disabilities to the same extent as they are paid for absences resulting from other temporary disabilities. For example, if an employee gave birth before April 29, 1979, but is still unable to work on or after that date, she is entitled to the same disability benefits available to other employees. Similarly, medical insurance benefits must be paid for pregnancy-related expenses incurred on or after last April 29.

Suppose an employer requires an employee to be employed for a predetermined period prior to being eligible for insurance coverage. Then, the period prior to April 29, 1979, during which a pregnant employee has been employed must be credited toward the eligibility waiting period on the same basis as for any other employee.

As to any programs instituted for the first time after October 31, 1978, coverage for pregnancy-related conditions must be provided in the same manner as for other medical conditions.

The answer to the preceding question would be the same if the employee

became pregnant prior to October 31, 1978.

Does an employer have to provide a pregnant woman with a less rigorous job? If, for pregnancy-related reasons, an employee is unable to carry out her job, does the employer have to provide her an alternative job?

An employer is required to treat an employee temporarily unable to perform her job functions because of her pregnancy-related condition in the same manner as it treats other temporarily disabled employees, whether by providing modified tasks, alternative assignments, disability leaves, leaves without pay, etc. For example, a woman's primary job function may be operation of a machine. Incidental to that function, she may carry materials to and from the machine. If other employees temporarily unable to lift are relieved of these functions, pregnant employees also unable to lift must be relieved temporarily of the function.

What procedures may an employer use to determine whether to place on

"An employer is required to treat an employee temporarily unable to perform her job functions because of her pregnancy-related condition in the same manner as it treats other temporarily disabled employees."

leave as unable to work a pregnant employee who claims she is able to work or deny leave to a pregnant employee who claims she is disabled from work?

An employer may not single out pregnancy-related conditions for special procedures for determining an employee's ability to work. However, an employer may follow any procedure used to determine the ability of all employees to work. For example, if a firm requires its employees to submit doctors' statements concerning their inability to work before granting leave or paying sick benefits, the firm may require employees affected by pregnancy-related conditions to submit such statements. Similarly, if an employer allows its employees to obtain doctors' statements from their personal physicians for absences due to other disabilities or return dates from other disabilities, it must accept doctors' statements from personal physicians for absences and return dates connected with pregnancy-related disabilities.

Under EEOC regulations, an employer cannot have a rule that prohibits an employee from returning to

work for a predetermined length of time after childbirth.

If an employee has been absent from work as a result of a pregnancy-related condition and recovers, may her employer require her to remain on leave until after her baby is born?

No. An employee must be permitted to work at all times during pregnancy when she is able to perform her job.

Must an employer hold open the job of an employee who is absent on leave because she is temporarily disabled by pregnancy-related conditions?

Unless the employee on leave has informed the employer that she does not intend to return to work, her job must be held open for her return on the same basis as jobs are held open for employees on sick or disability leaves for other reasons.

May an employer's policy concerning accrual and crediting of seniority during absences for medical conditions be different for employees affected by pregnancy-related conditions than for other employees?

No. An employer's seniority policy must be the same for employees absent for pregnancy-related reasons as for those absent for other medical reasons.

Calculating Vacations/Pay Increases. For purposes of calculating such matters as vacations and pay increases, may an employer credit time spent on leave for pregnancy-related reasons differently than time spent on leave for other reasons?

No. An employer's policy with respect to crediting time for the purpose of calculating such matters as vacations and pay increases cannot treat employees on leave for pregnancy-related reasons less favorably than employees on leave for other reasons. For example, if employees on leave for medical reasons are credited with time spent on leave when computing entitlement to vacation or pay raises, an employee on leave for pregnancy-related disability is entitled to the same kind of time credit.

Can an employer turn down a pregnant job applicant? Must an employer hire a woman who, because of a pregnancy-related condition, is medically unable to perform a necessary function of a job?

An employer cannot refuse to hire a woman because of her pregnancy-related condition so long as she is able to perform major functions necessary to the job. Nor can an employer refuse to hire her because of its preferences against pregnant workers or preferences of co-workers, clients or customers.

Unmarried Mothers. An employer

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may not limit disability benefits for pregnancy-related conditions to married employees. Unmarried women also are covered.

If an employer has an all-female work force or job classification, must benefits be provided for pregnancy-related conditions?

Yes. If benefits are provided for other conditions, they also must be provided for pregnancy-related ones.

For what length of time must an employer who provides income-maintenance benefits for temporary disabilities provide such benefits for pregnancy-related disabilities?

Benefits should be provided for as long as the employee is unable to work for medical reasons unless some other limitation is set for all other temporary disabilities. In that case, pregnancy-related disabilities should be treated the same as other temporary disabilities.

Must an employer who provides benefits for long-term or permanent disabilities provide such benefits for pregnancy-related conditions?

Yes. Benefits for long-term or permanent disabilities resulting from pregnancy-related conditions must be provided to the same extent that such benefits are provided for other conditions that result in long-term or permanent disability.

If an employer provides benefits to employees on leave, such as installment-purchase-disability insurance, payment of premiums for health, life or other insurance, continued payments into pension, saving or profit sharing plans, must the same benefits be provided for those on leave for pregnancy-related conditions?

Yes, the employer must provide the same benefits for those on leave for pregnancy-related conditions as for those on leave for other reasons.

Can an employee who is absent due to a pregnancy-related disability be required to exhaust vacation benefits before receiving sick-leave pay or disability benefits?

No. If employees absent because of other disabling causes receive sick-leave pay or disability benefits without any requirement that first they exhaust vacation benefits, the employer cannot impose this requirement on an employee absent for a pregnancy-related cause.

If state law requires an employer to provide disability insurance for a specified period before and after childbirth, does compliance with the state law fulfill the employer's obligation under the Pregnancy Discrimination Act?

Not necessarily. It is an employer's

obligation to treat employees temporarily disabled by pregnancy in the same manner as employees affected by other temporary disabilities. Therefore, any restrictions imposed by state law on benefits for pregnancy-related disabilities, but not for other disabilities, do not excuse the employer from treating both groups of employees the same. For example, if a state law requires an employer to pay a maximum of 26 weeks' benefits for disabilities other than pregnancy-related ones, but only six weeks for pregnancy-related disabilities, the employer must provide benefits for the additional weeks to an employee disabled by pregnancy-related conditions, up to the maximum provided other disabled employees.

Must an employer provide health insurance coverage for medical expenses of pregnancy-related conditions of spouses of male employees? Of dependents of all employees?

Where an employer provides no coverage for dependents, the employer is not required to institute such coverage. However, if an employer's insurance program covers medical expenses of spouses of female employees, then it must cover equally medical expenses of spouses of male employees, including those arising from pregnancy-related conditions.

However, the insurance does not have to cover pregnancy-related conditions of other dependents as long as it excludes equally pregnancy-related conditions of dependents of male and female employees.

Where a firm gives its employees a choice among several health-insurance plans, must coverage for pregnancy-related conditions be offered in all the plans?

Yes. Each plan must cover pregnancy-related conditions. For example, an employee with a single-coverage policy cannot be forced to purchase a more expensive family-

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coverage policy to receive coverage for her own pregnancy-related condition.

On what basis should an employee be reimbursed for medical expenses arising from pregnancy, childbirth or related conditions?

Pregnancy-related expenses should be reimbursed in the same manner as are expenses incurred for other medical conditions. Therefore, whether a plan reimburses employees on a fixed basis, or a percentage of reasonable and customary charge basis, the same basis should be used for reimbursement of expenses incurred for pregnancy-related conditions. Furthermore, if medical costs for pregnancy-related conditions increase, re-evaluation of the reimbursement level should be conducted in the same manner as are cost re-evaluations of increases for other medical conditions.

Coverage provided by a health-insurance program for other conditions must be provided for pregnancy-related conditions. For example, if a plan provides major medical coverage, pregnancy-related conditions must be so covered. Similarly, if a plan covers the cost of a private room for other conditions, the plan must cover the cost of a private room for pregnancy-related conditions. Finally, where a

health-insurance plan covers office visits to physicians, prenatal and post-natal visits must be included in such coverage.

May an employer limit payment of costs for pregnancy-related medical conditions to a specified dollar amount set forth in an insurance policy, collective-bargaining agreement or other statement of benefits to which an employee is entitled?

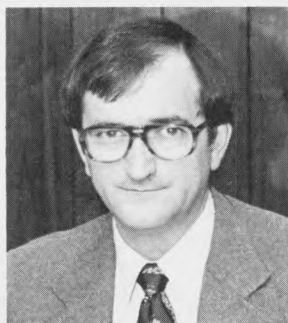
Amounts payable for costs incurred for pregnancy-related conditions can be limited only to the same extent as are costs for other conditions. Maximum recoverable dollar amounts may be specified for pregnancy-related conditions if such amounts are similarly specified for other conditions, and so long as specified amounts in all instances cover the same proportion of actual costs. If, in addition to the scheduled amount for other procedures, additional costs are paid for, either directly or indirectly, by the employer, such additional payments also must be paid for pregnancy-related procedures.

May an employer impose a different deductible for payment of costs for pregnancy-related medical conditions than for costs of other medical conditions?

No. Neither an additional deductible, an increase in the usual deductible nor a larger deductible can be imposed for coverage for pregnancy-related medical costs, whether as a condition for inclusion of pregnancy-related costs in the policy or for payment of costs when incurred. Thus, if pregnancy-related costs are the first incurred under the policy, the employee is required to pay only the same deductible as would otherwise be required had other medical costs been the first incurred. Once this deductible has been paid, no additional deductible can be required for other medical procedures. If the usual deductible already has been paid for other medical procedures, no additional deductible can be required when pregnancy-related costs are later incurred.

If a health-insurance plan excludes payment of benefits for any conditions existing at the time the insured's coverage becomes effective (preexisting condition clause), can benefits be denied for medical costs arising from a pregnancy existing at the time the coverage became effective?

Yes. However, such benefits cannot be denied unless the preexisting condition clause also excludes benefits for



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other preexisting conditions in the same way.

Can the added cost of bringing benefit plans into compliance with the act be apportioned between employer and employee?

The added cost, if any, can be apportioned between employer and employee in the same proportion that the cost of the fringe-benefit plan was apportioned on October 31, 1978, if that apportionment was nondiscriminatory. If the costs were not apportioned on October 31, 1978, they may not be apportioned to come into compliance with the act. However, in no circumstance may male or female employees be required to pay unequal apportionments on the basis of sex or pregnancy.

To comply with the act, may an employer reduce benefits or compensation?

Benefits or compensation an employer was paying on October 31, 1978, cannot be reduced before October 31, 1979, or before expiration of a collective-bargaining agreement in effect on October 31, 1978, whichever is later.

Suppose an employer has not been in compliance with the act by the times specified in the act and that it attempts to reduce benefits or compensation. As a result, it may be required to remedy its practices in accord with ordinary Title VII remedial principles.

Can an employer self-insure benefits for pregnancy-related conditions if it does not self-insure benefits for other medical conditions?

Yes, so long as the benefits are the same. In measuring whether benefits are the same, an employer should consider factors other than the dollar coverage paid. Such factors include the range of choice of physicians and hospitals and processing and promptness of payment of claims.

Can an employer discharge, refuse to hire or otherwise discriminate against a woman because she has had an abortion?

No. An employer cannot discriminate in its employment practices against a woman who has had an abortion.

Is an employer required to provide fringe benefits for abortions if fringe benefits are provided for other medical conditions?

All fringe benefits except health insurance — such as sick leave — that are provided for other medical conditions must be provided for abortions. Health insurance, however, need be provided for abortions only where the life of the woman would be endangered if the fetus were carried to term or where

medical complications arise from an abortion.

If complications arise during the course of an abortion, must an employer's health-insurance plan cover the additional cost due to the complications of the abortion?

Yes. The plan is required to pay those additional costs attributable to complications of the abortion. However, the employer is not required to pay for the abortion itself, except where the life of the mother would be endangered if the fetus were carried to term.

May an employer elect to provide insurance coverage for abortions?

Yes. The act specifically provides that an employer is not precluded from providing benefits for abortions whether directly or through a collective-bargaining agreement. However, if an employer decides to cover abortion costs, the employer must do so in the same manner and to the same degree as it covers other medical conditions. ●●

(Federal Register Vol. 44, No. 48; Friday, March 9, 1979, page 13278)

Southern Nat'l, Birmingham, Declared Insolvent by CofC; Exchange Nat'l Assumes Assets

BIRMINGHAM, ALA. — Exchange National, a newly chartered bank, took over Southern National last month after the latter institution was declared insolvent by the Comptroller of the Currency.

Both offices of Southern National were opened the day after the insolvency declaration as offices of Exchange National. The new bank was organized by a group headed by Robert E. Lowder, a director of MetroBank.

The new bank is said to have taken over Southern National's nearly \$30 million in deposits as well as other liabilities and paid a purchase premium of about \$2 million. Exchange National purchased Southern National's securities portfolio of about \$5.4 million at market value, most of its \$4.5 million of installment loans and other assets. The FDIC advanced about \$14.8 million to facilitate the transaction and retains book assets of Southern National of \$18.4 million, which is expected to be recovered in liquidation.

Southern National, chartered in 1975, experienced rapid growth during its first two years, ending 1977 with assets of \$80 million and deposits of \$57

million. According to the Comptroller, "Lending and collection practices in effect at the bank resulted in severe asset problems, and the bank accumulated a large volume of weak and non-performing loans."

Errors/Omission Insurance Is Announced by MGIC

MILWAUKEE — MGIC Indemnity Corp. is offering financial institutions, specifically their trust departments, a comprehensive errors and omission (E&O) insurance coverage program to protect the institutions in the present complex legal and regulatory environment.

The E&O endorsement is available in most states and augments the basic directors' and officers' (D&O) liability insurance policy already in use by MGIC. According to Edward D. Norris, vice president, there has been a growing need for additional coverage, especially for the institution. The E&O protection is "broader in some separate policies being offered today because it covers past acts, as long as the claim is made while the endorsement is in effect."

He said the endorsement also provides a maximum limit of liability of up to \$5 million. The limit applies to the institution itself and is a separate limit over and above that provided for trust officers under the basic D&O policy.

MGIC is a subsidiary of MGIC Investment Corp., an HC that provides insurance services to the financial industry.

Price of Modern Society:

Conference on Taxation To Be Sponsored by Bank

Continental Bank, Chicago, noting widespread taxpayer discontent, will offer a taxation conference in December to discuss its implications. Among key speakers will be Reginald H. Jones, chairman and CEO, General Electric Co., and Joseph Pechman, Brookings Institution.

"We have seen the emergence of dozens of state and municipal tax initiatives, referendums and enactments with the common purpose of setting limits on the power of government to tax and spend," said John H. Perkins, bank president. "Success at the state and local levels has prompted a major assault on federal budget deficits." The December conference, he said, will examine the effects on major U. S. cities of Proposition 13-type limitations on taxes and spending.

MID-CONTINENT BANKER for July, 1979

NEW ORLEANS LAGNIAPPE

Did you know while you're attending the 1979 ABA convention October 6-10, you'll be within minutes of some of the city's most famous and infamous historical sites: Jean Lafitte's blacksmith shop, the Battle of New Orleans and Storyville, New Orleans' red-light district? Last month, we showed you where pirate Jean Lafitte lived, fought and plundered — right in the heart of the French Quarter convention site. This is the second of a four-part series about "the city that care forgot," based on information from ***New Orleans Vignette**, 1979 edition.



Well into 1950s, superstitious people deferred to Marie Laveau, undisputed queen of New Orleanian voodoo during 1800s. A free mulatto woman, she practiced her charms and hexes on slaves and well-to-do whites. (Reproduced with permission from collections of Louisiana State Museum.)

* Lagniappe (pronounced lan-yap) is French for "something extra." Merchants in New Orleans traditionally have been known for showing appreciation to their customers by giving them a little more than is expected — a baker's dozen, for example. We hope this column, appearing monthly until October, will give you a little extra insight into the Crescent City before you attend the 1979 ABA convention. For a complete overview of the "Montmartre of the Mississippi," filled with restaurant and hotel guides, tourist spots and maps, history and culture, send for the **New Orleans Vignette**, 1979 edition, Publications, Inc., 204 Audubon, New Orleans, LA 70118. Copies are \$1.95 plus postage.

THE superstitious, both slaves and well-to-do whites, came by the thousands during the 1800s for love charms, advice or fortune telling from Marie Laveau, undisputed queen of New Orleans voodoo for nearly 50 years. Her gravestone, still marked with crosses



She once protected followers from next world; today believers mark crosses on her grave for good luck. Gravestone, standing in St. Louis Cemetery No. 1, is said to belong to Marie Laveau, who died at 62 in 1897. "Passersby pray for her," it reads. (Courtesy Historic New Orleans Collection.)

ses by her faithful followers, stands in St. Louis Cemetery No. 1, the first above-ground tomb in New Orleans.

Voodoo was originally brought to New Orleans by West Indies slaves. It was a combination of symbols and rituals from West Africa sprinkled with the teachings of Christianity. As Laveau, a free mulatto woman, practiced it, voodoo developed another identity.

For a small fee, a proper *gris gris* (pronounced gree gree) could give customers their most secret desires — a lover kept, a rival destroyed or an election won. The charm might be a piece of string tied around a small bone, a circle of salt on the sidewalk or a tiny doll.

The truly devoted participated in illicit secret ceremonies held in Laveau's backyard at 1020 St. Ann, in the French Quarter, or by a swamp near Bayou St. John. Gumbo, whiskey, snakes, chants and drums were part of the ritualistic dances, and dancers would become entranced or go wild until they collapsed exhausted.

Today, the mysterious underworld of voodoo is respectable and on display at the Voodoo Museum & Gift Shop, 739 Bourbon, Vieux Carré. On exhibit are authentic artifacts, voodoo queens, the Grand Zombie and an original altar used in voodoo rituals. A resident psychic, originally from Martinique, specializes in readings and gives lectures on the occult. The museum also offers an underground tour guide service for swamp, plantation, city and voodoo tours.

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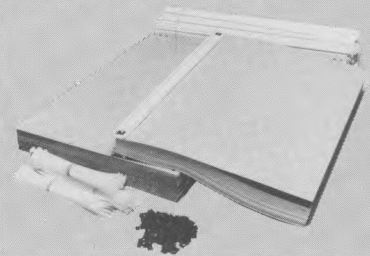
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Bankers' Deteriorating Image Problem Probed at Hilton Head Convention

George Shirley advances to top spot in association

ONCE AGAIN, Alabama bankers journeyed out of state for their annual convention, selecting as their site the Hyatt Hotel on Hilton Head Island in neighboring South Carolina.

And, as usual, no one was heard to complain about the facilities, many of which threatened to compete with the two general business sessions for delegates' attention.

To help combat the temptation to golf, play tennis or swim, convention officials brought together a distinguished panel of bankers to present their views on topics of importance to the banking industry. Panelists included Sam M. Fleming, chairman, retired, Third National, Nashville; C. C. Hope Jr., president-elect, American Bankers Association, and vice chairman, First Union National, Charlotte, N. C.; Monroe Kimbrel, president, Atlanta Fed; W. Liddon McPeters, former ABA president, and president, Security Bank, Corinth, Miss.; and Rex Morthland, deputy director, FDIC, and former ABA and AlaBA president.

Mr. Fleming commented on the current situation in banking by stating that we are seeing a development of conditions that occurred half a century ago — the reoccurrence of payment of

By **LAWRENCE W. COLBERT**
Assistant to the Publisher



Outgoing AlaBA Pres. William H. Mitchell passes gavel of office to incoming Pres. George S. Shirley at convention.

interest on demand deposits. He said it was the purpose of the Banking Act of 1935 to protect banks by prohibiting the payment of interest on demand deposits.

"I see significantly disquieting similarities to the conditions that brought on the great depression," he said.

Mr. Morthland stated that, despite the fact that 1978 was a good year for profits and asset conditions, two problems remain to be dealt with: capital adequacy and liquidity.

Aggregate income increased 25% in

1978 over 1977, he said, and net income increased 13.1%. Deposits didn't go up as fast as total liabilities. There was an \$8 billion increase in capital last year, but total capital as a percentage of total assets dropped.

"There must be an emphasis on increased capital," he said. The problem is how to keep the capital position up, by retained earnings or additional stock?

Mr. McPeters spoke about Fed membership. The position of banking on Fed membership is coming about through a consensus process, he said. The ABA comes closer to approximating a "national banking congress" than any other group. This is a crucial time in the industry, he said, bankers are rewriting the ground rules.

Referring to the recent court decision negating the legality of financial institutions offering automatic transfers, he said, "It's not in the tradition of Congress to take away consumer services, but to legitimize them."

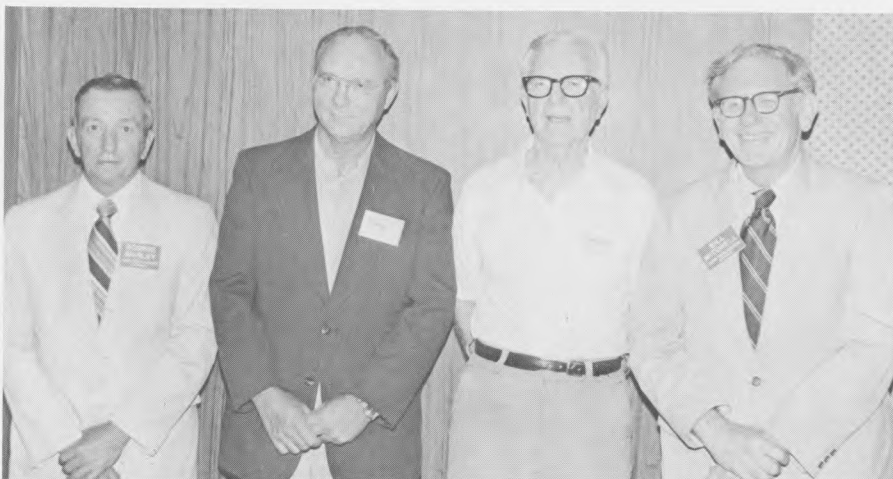
Mr. Kimbrel said inflation is still the primary problem in the U. S. "It's on the border of getting out of control." Banks have a vested interest in a central bank, he said. He termed the Fed membership question an emotional one. The fundamental precept is "equity of treatment."

Speaker Ernest F. Hollings, U. S. senator from South Carolina, predicted a \$34 billion budget deficit this year rather than the \$80 billion figure of last year, and a balanced budget by year-end 1980. "We have fiscal affairs headed in the right direction," he said.

In his presidential address, AlaBA outgoing President William H. Mitch-

NEW AlaBA OFFICERS

Shown after officer elections are President George S. Shirley, pres., First Nat'l, Tuscaloosa; E.V.P. C. E. Avinger; 2nd V.P. Clarence L. Turnipseed, pres., First Nat'l, Brewton; and retiring Pres. William H. Mitchell, pres., First Nat'l, Florence.





Convention reports were given by (from l.) Lowell A. Womack, v.p., First Nat'l, Tuscaloosa (trust div.); Horace W. Broom, pres., Citizens Bank, Hartselle (ABA); William P. Walker, pres., City Nat'l, Dothan (banking school); Charles S. Snell, pres., Citizens Nat'l, Shawmut (finance commit-

tee); C. Dowd Ritter, s.v.p., First Nat'l, Birmingham (Young Bankers Section); and Mary George Jordan Waite, ch./pres., Farmers & Merchants, Centre (Ala. Bankers Education Foundation).

ell, president, First National, Florence, said that banks and banking have an image problem, the result of the unwise practices of a small minority of bankers who are giving the industry a bad name. He said all bankers must carry the burden of the actions of a few.

He cited as achievements of AlaBA the fact that 2,000 bankers and bank employees are touched by the association's educational program which includes a chair of banking occupied by George LeMaistre, former AlaBA president and former FDIC chairman. He mentioned that the association operates a banking school and a trust school.

He said the association's investment committee has prepared and distributed an investment handbook, that the banking code has been revised and updated. Also, the association has introduced and passed an equal interest bill and the concept of state ownership of banks has been preserved.

Resolutions topics included support for Alabama Governor Forest James Jr. in his attempt to revise the state's constitution, support of voluntary membership in the Fed and the urging of Congress to end inequities that now exist.

Association Executive Vice President C. E. Avinger reported future convention sites as follows: 1980 — Mobile, 1981 — Birmingham, 1982 — Disney World, Orlando, Fla.

Charles Snell, former AlaBA president, and president, Citizens National, Shawmut, was elected to the governing council of the ABA.

New association officers are George S. Shirley, president, First National, Tuscaloosa — AlaBA president; Guy H. Caffey, chairman, Southern Bancorp. and Birmingham Trust National — first vice president; and Clarence L. Turnipseed, president, First National, Brewton — second vice president. ● ●



Top: Conventioneers included (from l.) Mr. & Mrs. Gordon C. Hurst, s.v.p., First Nat'l, Birmingham; James R. Robertson, v.p., and J. E. "Jep" Moody, ch./e.v.p., both of J. C. Jacobs Banking Co., Scottsboro. Bottom: Threesome includes (from l.) Jim Boyd Jr., s.v.p., First Alabama, Montgomery; Jim Gaffard, e.v.p., Fort Deposit Bank; and John E. Hixon, v.p., First Alabama Bank, Montgomery.



Panelists at AlaBA convention included (from l.) Rex Morthland, FDIC; W. Liddon McPeters, pres., Security Bank, Corinth, Miss.; Monroe Kimbrel, pres., Atlanta Fed; Sam Fleming, ret. ch., Third Nat'l, Nashville; C. C. Hope Jr., ABA pres.-elect and v.ch., First Union Nat'l, Charlotte, N. C.

Economy, McFadden Act, Structure Enliven IBA Meeting in Chicago

Dissident members 'disappointed' at resistance to policy change

A CAREFULLY detailed account of the economy was presented to delegates attending the Illinois Bankers Association convention in Chicago last month by former Fed governor Andrew F. Brimmer.

"The American economy is on the edge of a recession," Mr. Brimmer said. He expects the economy to live through what he terms "a mild recession during the last half of 1979." He said the recession's cause is primarily the decline in homebuilding and a reduction in consumer spending. Another contributing factor is an expected decrease in business fixed investment toward the end of the year. However, he said he expects the economy to recover in 1980 due to increased real consumer spending, a revival of homebuilding and increased industrial activity. The recovery, however, will be a gradual one, he said. A complete summary of Mr. Brimmer's remarks appears elsewhere in this issue.

Among the other speakers at the convention was Warren W. Lebeck, senior executive vice president, Chicago Board of Trade. He told the assembled bankers that a new wave of

By RALPH B. COX
Publisher

protectionism on foreign trade is growing in this country because of recent huge trade deficits.

"There are some people who seem to think there's a shortcut to increasing dollar earnings from agricultural exports by raising the prices of such products as a political weapon," he said. He warned that "political meddling" with the market mechanisms could have "disastrous consequences" on the farm industry, as it did in the 1930s.

The merits and shortcomings of the McFadden Act were debated during the meeting by C. F. Muckenfuss III, senior deputy for the Comptroller of the Currency, and James F. Bell, general counsel, Conference of State Bank Supervisors.

Mr. Muckenfuss said that market forces, particularly thrift penetration in the checking and deposit-gathering areas, dictate a breakdown of anticompetitive barriers. He lamented the fact that congressional action to revise the McFadden Act has been stalled be-

cause of an Administration study of the act that is not due to begin until later this year.

The aide to the Comptroller said competition is the "heart of the nation's free enterprise system" but the McFadden Act is simply being used as a defensive weapon by those groups who fear competitive forces.

Mr. Bell maintained that the act is a bulwark of the dual banking system and its demise "would be the straw that breaks the camel's back."

He said the dual system has been under serious challenge for the past 10 years, given the rash of new federal banking statutes ranging from the Bank Protection Act to the Community Reinvestment Act. He said it's not hard to envision a change in the act bringing on the collapse of the dual banking system.

As expected, dissident IBA members tried to have their day during the association's business meeting. A group of such bankers has been working to make the association "neutral" in the area of bank structure bills. IBA policy has long been dominated by downstate banks that insist on a vigorous stance by the association against any legislation that could result in changes in bank structure concerning branching and the establishment of holding companies.

During this year's convention, delegates voted to reduce the voting mar-

NEW ILL.BA OFFICERS

Elected to lead the Illinois Bankers Association for 1979-80 at the association's recent convention were (from l.) 2nd V. P. James A. Fitch, pres., South Chicago Savings; 1st V. P. Jack D. Lemmerman, pres., Nat'l Bank, Monmouth; Pres. Gavin Weir, ch./pres., Chicago City Bank; and Treas. Charles N. "Chick" Finson, pres., Nat'l Bank, Monticello.



gin to change IBA policy from 60% to 50% after a somewhat stormy debate that took two hours and resulted in four ballots being cast.

Resolutions to permit the introduction of regional multibank HCs and to let banks establish a third limited service facility in city limits were withdrawn by their sponsors prior to the balloting on the procedural rules in the trade group's bylaws.

David E. Connor, president, Commercial National, Peoria, a member of the dissident committee, expressed his disappointment to the convention that his group's resolution on multibank HCs could not be discussed and voted on because of an unfavorable ruling by the IBA leadership.

"We didn't expect to carry the day but we did intend to show that a significant minority of IBA members favor or can live with some form of limited multibank HC," Mr. Connor said.

While lowering the voting margin, delegates also agreed to include tougher definitional language to define "structure" in the IBA constitution, spelling out for the first time that limited service facilities are considered matters of structure.

Gavin Weir, chairman/president, Chicago City Bank, was elected IBA president at the convention, succeeding B. F. "Chip" Backlund, president, Bartonville Bank. New first vice president is Jack D. Lemmerman, president, National Bank, Monmouth, who served as second vice president last year. New second vice president is James A. Fitch, president, South Chicago Savings. Charles N. "Chick" Finson, president, National Bank, Monticello, was elected treasurer. ●●

They've Got Clout:

Seminar/Social for Elderly Is Sponsored by Bank

In response to its market's needs, First Arlington National, Arlington Heights, Ill., sponsored a seminar/social for local senior citizens. About 250 attended to hear reports on the status of health care and social security benefits and then adjourned for refreshments, card playing, games and conversation.

The executive director of the Suburban Cook-Du Page County Health Systems Agency was the featured

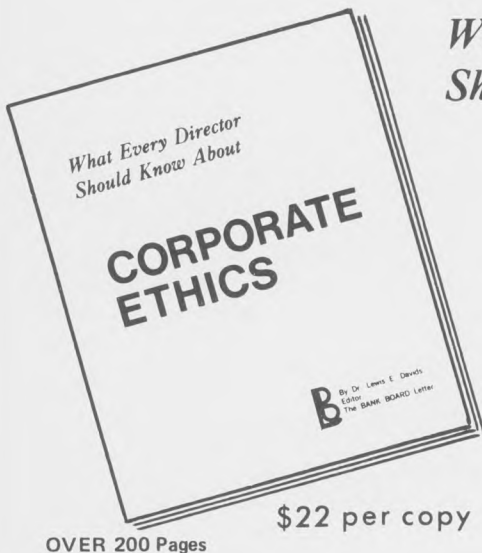
speaker. She emphasized that health care without escalating costs was a critical issue for the elderly and that the \$41.3 billion spent by their age group last year for health care gives them bargaining "clout."

Bank President Robert W. Mills said the seminar was scheduled because "A large number of people in our area are over 65. Our research shows the quality of their lives is important to them and we wanted to contribute to that."

ABA Pilot Program Proposed For Checking Acc't Modernization

A check safekeeping pilot program to test the feasibility on a nationwide scale of using alternatives to paper processing of business and government checks was announced at the May, 1979, ABA National Operations and Automation Conference in Anaheim, Calif.

Banks from the 12 Fed districts will be invited to participate in the project, which hopes to prove initial research estimating a savings of approximately 5¢ per check in a mature check safekeeping environment.



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Togetherness Theme Highlighted As Bankers Return to French Lick

Fed membership problem points up need for unity

"TOGETHER We Are Something" was the theme of the 82nd annual convention of the Indiana Bankers Association last month as the annual meeting returned to its traditional location at the French Lick Sheraton Hotel. Delegates and speakers reflected the catchy phrase: approximately 1,000 bankers and wives attended the meeting, half of the turnout being drive-ins for the final night Mardi Gras reception and Creole banquet. And from the rostrum came words echoing similar legislative views concerning the ongoing Fed membership problem.

Nancy Hays Teeters, the first woman appointed to the board of governors of the Federal Reserve System, said she preferred an "all inclusive (Fed) system that includes all financial institutions handling transaction accounts and if thrifts are included they should have mandatory reserve requirements."

The Marion, Ind., native said the proposed Fed membership question "is the most important piece of legislation since the '30s" and noted that membership and reserves have been dropping — "we now have 5,600 member banks and reserves stand at 71%.

"We need a reserve base and we must have a known quantity," she said,

adding "the final bill is a long way from passage; there are four places where either committee, House or Senate changes can be made."

On other topics, she said Regulation Q rates "will be raised so high as to be unusable." She sees electronic funds transfer and computers as "the most important shapers of the financial future" and reported that three Fed districts will soon start electronic clearing of all checks over \$100,000. Large businesses will be the big users of EFTS in the near future — the problem regarding electronic processing of personal checks is getting proof of the cancelled check back to the individual.

Former ABA President A. A. "Bud" Milligan said, "The Fed membership bill now in committee falls far short. The bill would give thrifts basic bank powers. It is still banking's posture that all institutions writing transaction accounts should be included in the bill."

The California banker (Bank of A. Levy, Oxnard) said that in recent interest rate testimony in Washington "thrifts played the 'poor boy' role while banks called for more interest now on savings." He told of a recent conversation with an S&L executive who made light of the ¼% rate advantage S&Ls hold over banks. Said Mr. Milligan: "If

it's such a small matter, why do you spend \$5 million in advertising to promote it?"

Working together was also obvious in the report on the IBA's long-range planning committee. Created during the tenure of IBA 1977-78 President Tom G. Voss of Seymour, the committee has chosen Golembe & Associates, Washington, D. C., to guide the project.

An officer of the firm, Ed Furash, told delegates some of the early findings resulting from 50% response to a 30-page survey-questionnaire. "Our recommendations to your association will need implementation, they are not intended to be put on the shelf.

"The state of your association is good and you've received high marks. You tell us you see tough competition ahead and need help in fighting for equities. You want improvements, stronger grass roots participation and you have asked to be better informed.

"Your view is that IBA lobbying should be the best in the state, that education and information are vital and most of all, the highest possible quality is a must. You want facts, not myth, effective research and within reason, you will pay for all of this."

Outgoing IBA President Paul E. Shaffer, chairman/president, Fort Wayne National, called the long-range project "worthwhile and after you've received the final report, you'll think so, too." He said no special assessment will be required to pay for the report — in fact, the total surplus of our association is now equal to approximately one year's expenses."

He commented on other topics:

- "Diminishing emphasis is being placed on determining the safety and soundness of the institution . . . and I do not feel this trend augurs well for the future.

- "Some new laws are technical, complicated and subject to interpretation. One banker told me: 'I do not



Convention speakers included (from l.) Paul E. Shaffer, outgoing IBA pres., and ch./pres. Fort Wayne Nat'l; Nancy Hays Teeters, Fed governor; A. A. "Bud" Milligan, pres., Bank of A. Levy, Oxnard, Calif.; and Tom G. Voss, IBA pres. 1977-78, ch., nominating com., and ch., Seymour Nat'l.

believe it is possible for me to operate my bank one day without technically breaking some new law . . . and I cannot afford to hire a full-time attorney to counsel us on a daily basis.' This is a sad situation for our smaller and medium-size banks.

• "We must try to help the small saver. The recent authorization of ¼% increase from 5% to 5¼% as of July 1 is too little, too late. There is no justifiable reason to maintain the ¼% differential.

• "The ratio of savings to disposable income has declined substantially from 1973 to 1977. Why? Because there is no incentive to save. Data reveals the ratio of savings to disposable income in Canada from 1973 to 1977 was 10.3%; in Great Britain, 14.1%; in West Germany, 15.2%; France, 17.2%; Japan, 24.9% and in the U. S., it was 6.7%.

• "I foresee that, disregarding states' rights, federal regulators will be giving such powers to federally chartered financial institutions, that states will be forced into authorizing state-chartered institutions to exercise the same powers in order to preserve the

dual system—for example, the federal S&Ls' right to branch across county lines, the loose interpretation of the 'common bond' by the National Credit Union's administrator and the Federal Home Loan Bank Board's approval of variable-rate mortgages for federally chartered S&Ls."

Mr. Shaffer repeated the convention's theme of togetherness, adding "divided, we may be conquered by the competition. It's still your choice."

Elected to serve the IBA as officers through mid-1980 were Wayne Worthington, chairman/president, National City Bank, Evansville—president; Robert Laue, president, First Bank & Trust, Indianapolis—vice president; and Carlos Craven, president, Farmers National, Shelbyville—treasurer.

New directors-at-large are Charles Phillips, president, Floyd County Bank, New Albany; Leslie Robinson, executive vice president, Northern Indiana Bank, Valparaiso; and John Royse, president, Merchants National, Terre Haute. ••

Custom Financing Planning Offered by Indiana National

BENJAMIN FRANKLIN'S maxim, "A penny saved is a penny earned" is a good idea. However, financial planning counselors at Indiana National, Indianapolis, now show customers how they can best manage their savings to provide for their future.

The bank's new personal financial planning program features one-to-one personalized counseling, an individualized financial analysis and a financial plan for each client's immediate and long-range future. It is offered by the trust division.

This service is geared to widows who are unaccustomed to managing their finances, career women and young professional families who want to ensure short and long-term financial stability, according to Elaine Bedel, trust officer, who provides the counseling.

First step is a financial inventory of each customer, and it includes his income, retirement or pension plans, investments, outstanding or projected loans and all insurance. A specially designed workbook, which helps the customer itemize the information, is provided.

Discussion of various alternatives in saving, spending and investing is the next step. Together, the customer and consultant decide on a financial plan that is individually tailored to fit the customer's needs.

Those customers interested in investing are given a list of brokers and other investment counselors from whom to choose. However, the consultant will not recommend a specific broker, nor will legal advice be given. All parts of the planning process will be kept confidential, Miss Bedel says.

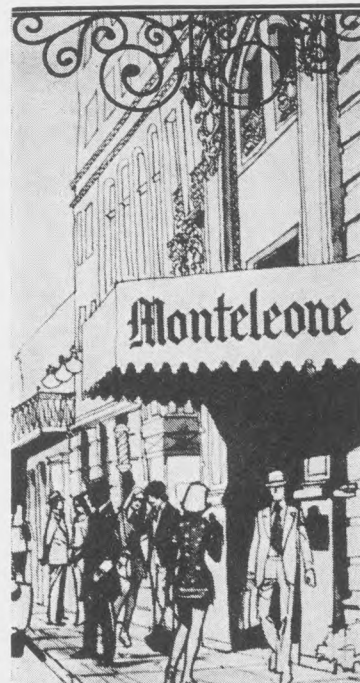
Financial plans usually are effective for only two or three years because of changing circumstances, she says. Annual reminders will be sent to clients to see if they want to update their plans.

Fees are charged on an hourly basis. An average analysis and plan will take from five to eight hours; the annual update, one to three hours.

Potential clients who can benefit from this service are families or individuals with incomes of at least \$25,000 or net worths of \$100,000 or more, Miss Bedel says. ••



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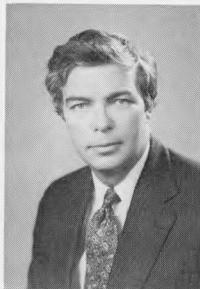
From the Mid-Continent Area

Alabama

■ PHILIP C. JACKSON JR. has been elected a director of Central Bank, Birmingham. Mr. Jackson was a member of the Fed board of governors from 1975 to 1978 and is a former president, Mortgage Bankers Association.



JACKSON



HUFHAM

■ WILBUR B. HUFHAM has been elected executive vice president of First Alabama Bank, Montgomery. He

is in charge of correspondent banking, branch banking and banking operations. He rejoined the bank following service as corporate planning officer with First Alabama Bancshares.

■ FIRST NATIONAL, Birmingham, has promoted Carl D. Randall Jr. to vice president, Kathy Carter to assistant vice president and Kim R. Hazzard and Peggy W. Williams to marketing officers.

■ FIRST NATIONAL, Mobile, has promoted Stephen E. Pollman Jr. and Tony Van Aken to assistant vice presidents and elected Robert J. Lee consumer loan officer. They joined the bank in 1966, 1974 and 1976, respectively.

Arkansas

■ JAMES KELLEY, marketing officer, First American National, North Little Rock, has been elected president, Young Banker Section, Arkansas Bankers Association. He succeeds James Stobaugh, vice president, National Bank of Commerce, Pine Bluff, of the group which was formerly known as the Junior Banker Section of Ark.BA. Also elected were Judy Sligh, administrative officer, Citizens First State, Arkadelphia — vice president; Susan Derden, assistant vice president, Citizens National, Jacksonville — secretary; Harry Webb, assistant vice president, Helena National — treasurer; Gary Garton, compliance officer, First National, Fayetteville — parliamentarian; and Larry Bates, construction loan officer, National Bank of Commerce, Pine Bluff — historian.

■ WILLIAM H. BOWEN, president/CEO, Commercial National, Little Rock, has been elected chairman, University of Arkansas at Little Rock board of visitors. He succeeds Terence E. Renaud, chairman/CEO, Twin City Bank, North Little Rock.

■ DONALD W. STONE has been promoted to executive vice president, Simmons First National, Pine Bluff. He was formerly vice president and is a former president, Arkansas Bankers Association.



STONE

■ FIRST NATIONAL, Mena, has elected Bert Hensley president/CEO and George W. Penick executive vice president. They joined the bank in 1946 and 1972, respectively. Mr. Hensley was formerly the bank's senior vice president and Mr. Penick served as vice president and board secretary.



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Illinois

■ RICHARD T. SCHROEDER has been promoted to executive vice president at National Boulevard Bank, Chicago. He joined the bank in 1967 and was formerly a senior vice president.



SCHROEDER

■ CONTINENTAL BANK, Chicago, has elected the following vice presidents: Marie M. Fanchi, Richard P. Grippando, James R. Coleman, James W. Dutton, Robert P. Gibbs, Michael L. Morris, Karl T. Barthelmess Jr., John E. Dancewicz, Keith S. Tenny, Michael J. Adler, Frank E. Diaz, James S. Dunne, Omar E. Thomas, John E. Hausmann, Donald J. Malinowski, Terry L. Woolums and James Allan III. Douglas L. Miller was



William C. Harris (l.), Illinois commissioner of banks and trust companies, presents state charter for new First Security Bank, Elk Grove Village, to William L. Bishop, president, and Richard A. McGrenera, chairman. The bank is expected to open this month at Nerge and Devon roads.

elected a vice president of Continental Illinois Leasing Corp.

■ NORTHERN TRUST, Chicago, has promoted Charles E. Lee, Laurence J. Mauer and Donald L. Raiff to vice presidents and associate economists. Newly named second vice presidents include: Wolodymyr Hieduke, Robert A. Peterson, Christian Rexer, Timothy E. Dack and Joyce M. Orton.

■ YORK STATE, Elmhurst, has appointed Joanne A. Shaw vice president/cashier and named Craig Anderson and Robert Farmar vice presidents.

■ CATHY MORVICE has been promoted to cashier, United Bank, Rockford. She joined the bank in 1970 and is primary operations officer.

■ HARRIS BANK, Chicago, has elected the following vice presidents: C. Thomas Johnson, Richard G. Mason, Jay L. Owen, Stacy A. Lyle and John M. Baly.

New Bank Receives Charter

Indiana

■ JAMES A. POSTHAUER, president, Purdue National, Lafayette, has been elected CEO, succeeding E. Joseph Bannon, who retired on June 1. Mr. Bannon continues as chairman of the board and of the loan and executive committee. Mr. Bannon was president/CEO for 30 years. Mr. Posthauer has been president since 1977.

■ AMERICAN FLETCHER NATIONAL, Indianapolis, has promoted Phillip L. Risley to vice president, information services group. He joined the bank in 1977 as assistant vice president and manager, systems and programming.

■ INDIANA NATIONAL, Indianapolis, has named Philip A. Woods, vice president, head of the branch banks division, succeeding Joseph C. Buegler, newly elected executive vice president of consumer banking. Vice President Alex J. Eckensberger has been named head of the installment loan division. Mr. Woods joined the bank in 1964, Mr. Eckensberger in 1973. Robert E. Schneider, vice president, has been elected senior legal counsel and head of the law department. He also has been named vice president and legal counsel for all Indiana National Corp. non-bank subsidiaries. He joined INB in 1969.

Kansas


■ SAM D. CAMPBELL has been appointed vice president/commercial and agricultural lending, at Douglas County State, Lawrence. He was formerly with First National, Topeka, and First National, Lawrence. Shirley K. Wenger has been promoted to administrative officer and Sharon Stultz has been named managing officer, customer transactions. They have been with the bank for two and eight years, respectively.

■ MONT C. DRAPER III has been elected senior vice president and head of the trust department at Union National, Wichita. He was formerly with Bank of the Southwest, Houston.

New Facility Under Construction



Construction is underway on this 1,536-square-foot facility for Farmers & Merchants State, Bushnell. The drive-up/walk-up facility will include a three-station tellers counter, a customer lounge area and two offices. Bunce Corp., St. Louis, is serving as construction manager and completion is expected by November.



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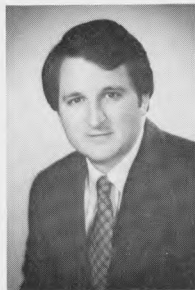
Kentucky

■ DONALD L. PARAGON has been promoted to vice president, First Security National, Lexington. He joined the bank in 1975. Named assistant vice presidents were Harry R. Arnold, Curtis Hastings and Mark Morris. Messrs. Arnold and Hastings joined the bank in 1978 and Mr. Morris has been with the bank since 1976. New assistant cashiers are Rick Johnson and William Hartley. They joined the bank in 1974 and 1976, respectively. Promoted to operations officer was Karen Frary, who joined the bank in 1977.

■ FIRST NATIONAL, Louisville, has promoted Clifton J. Haysley and A. Brooks Pinney III to vice presidents. Paul A. Como was named senior loan services officer and Glenn W. Norman was promoted to senior loan review officer. Bluford Tinnell Jr. became administrative officer, James W. West moved up to banking officer and Hazel F. Roach was named assistant loan services officer. Five vice presidents were named at First Kentucky Trust: James L. Bailey, Charles H. Frye, James R. McCabe Jr., Cleon B. Tatum and Henry S. Niesse Jr. First Kentucky National Corp. has promoted Dennie K. Hurst to vice president and assistant secretary.

Louisiana

■ ALLEN E. FREDERIC has been appointed senior vice president/national accounts and international banking divisions at First National Bank of Commerce, New Orleans. He



FREDERIC

is a former vice president and manager of the New Orleans loan production office of American Security Bank, Washington, D. C. Before that, he had managerial responsibilities at First NBC.

■ P. M. "MIKE" ELVIR has been appointed senior vice president at Bank of New Orleans. Formerly with

IBM, his bank responsibilities will ultimately include branches, corporate planning, marketing, personnel and correspondent banking.

■ HIBERNIA NATIONAL, New Orleans, has promoted Rodney J. Abele Jr. to vice president and trust investment officer and Anthony J. Serio to vice president. Robert G. Coury has been elected a vice president and chief counsel of the bank and assistant secretary of Hibernia Corp. T. R. Fiddler, president, D. H. Holmes Co., has been elected to the boards of the bank and the HC.

■ CITY NATIONAL, Baton Rouge, has promoted Elizabeth Mulvany to auditor. In other action, Francis Furrate, assistant vice president, was appointed security officer; Myrt Doize, assistant vice president, was made a member of and secretary to the board of directors' pension committee; and Judy Shortess, administrative officer, was named EDP auditor.

Mississippi

■ PEOPLES BANK, Indianola, has been acquired by Peoples of Indianola, Inc., a one-bank HC.

Mayor Proclaims AIB Day



June 14 was designated AIB Day by the mayor of Jackson, Miss., in observance of the close of the 1978-79 year of the Jackson AIB Chapter. Present at the signing of the proclamation of AIB Day were retiring officers of the chapter (from l.) Joyce Anderson, Deposit Guaranty National — AIB vice president; Ernie Knight, First National — education officer; Jim Nettles, Mississippi Bank — treasurer; and Jimmie Ishee, First National — president. Mayor Dale Danks is seated. Officers for 1979-80 are Miss Anderson — president; Mr. Nettles — vice president; Mr. Knight — treasurer; Katy Smith, First Mississippi National — education officer; and Ellen Beckham, Deposit Guaranty National — secretary.

Missouri

Ross, Morrow Elected To Head Young Bankers

W. Michael Ross, senior vice president in charge of correspondent banking, Bank of St. Louis, was elected chairman of the Missouri Young Bankers at its annual convention at Tan-Tar-A last month. He succeeds Bill C. Lee, executive vice president, State Bank, Seneca.

Larry Morrow, vice president, American National, St. Joseph, was elected vice chairman.

■ COMMERCE BANCSHARES, Kansas City-based HC, has signed affiliation agreements with Spanish Lake Bank and American Security Bank, Pacific.

■ COMMERCE BANK, St. Joseph, has elected John Rost vice president in charge of installment loans and Lawrence R. Muck assistant cashier in the commercial loan department. Mr. Rost joined the bank in 1975; Mr. Muck has been with Commerce Banshares, Kansas City, since 1978.

■ MERCANTILE TRUST, St. Louis, has promoted James T. LaBelle and Edward W. Sunder III to assistant vice presidents, Ernest J. Rathjen to trust officer/assistant secretary, Leo G. Haas to banking officer and Lawrence V. Ritter to consumer credit officer/operations manager. David A. Dreher has been promoted to accounting officer at Mercantile Bancorp.

■ MARJORIE A. LONGO has joined Mercantile National of St. Louis County, Chesterfield, as advertising and public relations director. She was formerly advertising and public relations officer, Mercantile Bancorp., St. Louis.

■ HARRY J. LUNT has been appointed president/chief operating officer, Chesterfield Bank, succeeding Alfred H. Kerth Jr., who has been promoted to chairman/CEO. Mr. Lunt was formerly president/CEO, Citizens Bank, Pacific and has been with Security Bank, Manchester, and Jefferson Bank, St. Louis. Mr. Kerth had been president, Chesterfield Bank, since 1959.

■ FIRST NATIONAL, St. Louis, has elected Penelope A. Bogacki retail banking officer; Len E. Meyer and Nancy L. Spencer commercial banking officers and Carol S. Sims data processing officer.

■ **CONSTRUCTION** has begun on a new full-service facility for United Missouri Bank, Joplin. The facility will be the bank's third location in Joplin and is expected to be completed by the end of the year. A three-lane drive-in is included in the plans for the two-story, 4,000-square-foot structure at the intersection of 21st Street and Maiden Lane.

■ **THOMAS M. NOONAN**, senior vice president, St. Louis County Bank, Clayton, has been elected president of the St. Louis AIB Chapter for the 1979-80 term. Other officers are Edward C. Berra, president, Southwest Bank, St. Louis — first vice president; Jean Oebermann, assistant vice president, Gravois Bank — second vice president; Lorraine H. Greene, First National, St. Louis — associate vice president; John W. Rowe, vice president, First National, St. Louis — treasurer. John M. Christensen is executive director and Joseph G. Steel is consultant to the chapter.

■ **GLENN W. TIMMONS** has been elected an assistant vice president at First National, Kansas City. He joined Charter Bankers Mortgage Co. as a vice president in February of this year. The mortgage company is a subsidiary of First National Charter Corp., HC that includes First of Kansas City.

■ **HERBERT W. HITCHINGS JR.** has been appointed a senior vice president at First National, Clayton. He was formerly a vice president and has been with the bank for 15 years.

■ **BANK OF TABLE ROCK LAKE**, Reeds Spring, has been acquired by First Community Bancorp., Joplin. Bank of Table Rock Lake is the sixth bank to be acquired by the HC, whose lead bank is First National, Joplin.

■ **WOOD & HUSTON BANCORP.**, Marshall, has received Fed approval to become a bank HC through the acquisition of Wood & Huston Bank, Marshall, and Missouri Southern Bank, West Plains. The latter bank is a proposed de novo institution.

■ **PHILIP N. WHITEAKER** has been promoted to vice president at Mercantile Commerce Trust, St. Louis. He joined the bank in 1968 and was formerly assistant vice president.

■ **CLINTON U. IMBODEN** has been elected to the newly created post of senior vice president and chief

lending officer at Big Bend Bank, Webster Groves. He was formerly with St. Louis County Bank, Clayton.

■ **ELY BRITTON JR.** has joined St. Louis County Bank, Clayton, as vice president in charge of commercial loans. R. Stephen Wintermann has been elected a commercial loan officer. Mr. Britton was formerly with Boatmen's National, St. Louis, and Mr. Wintermann joined St. Louis County Bank in 1978.

New Mexico

■ **EDWARD B. BENNETT JR.** has been elected to the board, First National, Santa Fe, and chairman, New Mexico Bancorp., the bank's parent HC. As director, he fills the vacancy created by Leland Thompson Jr., who resigned. As HC board chairman, he succeeds J. P. Brandenburg, Taos, who has been named chairman emeritus. Mr. Bennett acquired about 45% of the HC's outstanding shares through a tender offer. In other action, the bank announced the following officer changes: Lon C. "Bill" Frank to senior vice president/data processing, proof, bookkeeping, branch administration and other operations functions, from consultant/data processing division; Angelina Romero, to vice president and branch coordinator, main office, from assistant vice president and operations officer; Tito Roybal, formerly operations officer, to assistant vice president and operations officer; Joann Montoya, Alameda Office manager, and Rebecca Linderman, assistant vice president and personnel officer, transferred to bank management training program — Miss Montoya to the credit department and Miss Linderman to the Cerrillos Road Office; and Renee Duran, formerly assistant branch manager, main office, to Alameda Office manager.

■ **E. L. HINTON JR.** has been elected vice president/auditor at First National, Roswell. He was formerly comptroller, accountant, office manager and corporate secretary for a CPA firm.

■ **FIRST NATIONAL**, Santa Fe, has elected Alvin D. James senior vice president and John R. Quick vice president. In other action, Don Van Soelen, senior vice president, has moved from the Los Alamos facility to the Santa Fe Main Office.

■ **A MONTH-LONG** celebration was held recently by Citizens Bank, Las Cruces, coincident with the opening of a new wing to its Main Office in the Amador Hotel Building.

■ **NEW MEXICO BANK**, Hobbs, has begun a \$250,000 expansion program that will turn an adjacent building into a drive-up facility at its Eunice location.

Oklahoma

■ **RUEL E. WALTHALL** has been promoted to senior vice president and administrator of the loan review and credit division at Fidelity Bank, Oklahoma City. He joined the bank in 1969 and was a vice president. Robert



WALTHALL

L. Edwards was elected vice president and manager/investment sales and Charles A. "Chuck" Kerley was elected assistant vice president and manager/automated sales and service, computer service department.

■ **BANK OF OKLAHOMA**, Tulsa, opened two new TransFund Banking Center locations last month. The units are located at 61st Street and Lewis Avenue, Tulsa, and Elm and Kenosha streets in Broken Arrow. The bank's 10 24-hour units provide access to checking, savings and bank card accounts for deposits, withdrawals and transfers.

■ **GEORGE B. PAYNE** heads the list of new officers as president of Crossroads State, Oklahoma City, following installation of new management. Other officers include Paul D. Hanson, Vic Taylor and Barbara G. Salda, vice presidents, Christopher A. Fiegel, vice president and cashier; and Jerry D. Mooney, assistant vice president.

■ **FIRST NATIONAL**, Tulsa, has appointed Steve W. Dalton, Nancy L. Landholt and Michael J. Terrell

banking officers and Ronald T. Ernst a trust officer.

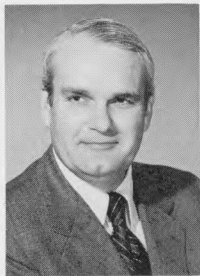
■ **UTICA NATIONAL**, Tulsa, has elected W. Scott Martin executive vice president in charge of the lending division. He was formerly a senior vice president. Also promoted were Robert E. Carruth and Larry C. Choate to vice presidents and Pat Bellis to assistant cashier.

■ **LIBERTY NATIONAL**, Oklahoma City, has promoted J. David Jensen to senior vice president, investment services; Jerry L. Blaney to vice president, commercial banking; Barbara J. Farley to vice president, operations; Steven Puckett to assistant vice president, personnel; and Richard A. Woodward to assistant vice president, Liberty National and Liberty Financial Corp. Mr. Jensen joined the bank in 1970, Mr. Blaney in 1976 and Miss Farley in 1963.

■ **RON G. LEAVELL** has been named executive vice president at Security Bank, Blackwell. He had been senior vice president in the correspondent banking department at Liberty National, Oklahoma City.

Died. E. F. "Jack" Allen, 82, retired chairman, First National, Tulsa, May 19. He joined the bank in 1945 as a vice president and retired 12 years ago. His banking career started in 1919 with Peoples National, Clinton, Mo.

Tennessee



BUTTS



HEMPHILL

■ **P. THOMAS BUTTS** has been promoted to first vice president at Third National, Nashville. He was formerly a senior vice president and now has responsibilities in the correspondent bank and regional departments as well as the cash management area. He joined the bank in 1951 and was named an officer in 1957. He continues as first vice president, Third National Corp.

■ **JOE HEMPHILL**, immediate past superintendent of banks for Tennessee, has been appointed director of bank services for Financial Institution Services, Nashville, the administrator of the BANCLUB marketing program. Mr. Hemphill has been in banking for 20 years and was formerly with Memphis Trust.

■ **THIRD NATIONAL**, Nashville, has promoted John J. Cipriano and Michael C. Hopper from assistant vice presidents to vice presidents, Ronnie D. Hays from credit officer to assistant vice president, Paul L. Gressman to credit officer and Eddie C. Nichols to operations officer.

■ **NATIONAL BANK OF COMMERCE**, Memphis, has promoted John L. LeCave, David A. Pace and J. Leon Bailey to vice presidents; Charles Avant, William H. Seabrook and Dorsey D. Franklin to assistant vice presidents; and John R. Anderson to operations officer.

■ **PARK NATIONAL**, Knoxville, has elected James F. Smith Jr. chairman, and Ben T. Hannah executive vice president. Mr. Smith joined the bank in 1974 as a director, was named senior vice president in 1975, president in 1977 and CEO last year. He remains as president/CEO. Mr. Hannah joined the bank in 1938 and had been a senior vice president since 1973.

■ **ROY ALTON DUKE JR.** has been named international officer and head of the international department at American National, Chattanooga. He joined the bank in 1977.

■ **MICHAEL R. HAGGARD** has been elected security officer at First Am Tenn Corp., Nashville. He is a former special agent with the FBI and at one time was with First National, Dallas.

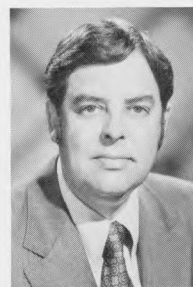
Texas

■ **J. W. PIEPER** has been elected senior vice president at First City National, Houston. He was formerly a vice president and joined the bank last year following service with Frost National, San Antonio. Elected vice presidents were Kenneth J. Cordova, Lillian Glancy and Gregory Spork. New assistant vice presidents include Lori Cazares, Roger C. Chen, Michael R. Conwell, Loren W. Dickson, Madelaine Gibbon, James R. Hale,

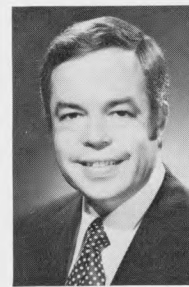
Terry C. Krejci, Thomas H. Lowery and James H. Price Jr. Whitten Rusk III was named assistant vice president and trust officer.

■ **FIRST NATIONAL**, Dallas, has named Robert E. Tripp head of community relations and Gerald E. Bennett head of the advertising and public relations department. Mr. Tripp coordinates the bank's social and community activities and Mr. Bennett's duties include responsibility for the bank's internal communications programs and employee club activities. Mr. Tripp joined the bank in 1959 and Mr. Bennett has been with the bank since 1974.

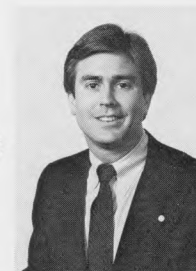
■ **FORT WORTH NATIONAL** has named J. C. Brown, executive vice president, senior credit officer, and Frank Mackey, senior vice president, manager of the personal banking division. Boren S. Hildebrand, vice president, has been named manager, commercial loans and Jerry C. Thomas, vice president, has succeeded Mr. Hildebrand as manager, national accounts. Richard O. (Dan) Camp has joined the bank as assistant vice president and compensation manager, employee relations.



BROWN



MACKEY



VICK

■ **FROST NATIONAL**, San Antonio, has promoted Susan Davenport, Edward A. Merla and Mark Wilson to assistant vice presidents. T. Kenneth Vick Jr. was named correspondent banking officer. Miss Davenport joined the bank in 1972, Mr. Merla in 1973, Mr. Wilson in 1976 and Mr. Vick in 1978.



Fed Answers Regs Questions

Randall C. Sumner, examiner in St. Louis Fed's consumer affairs dept., answers common questions about federal regulations that affect most banks. Information given here reflects Mr. Sumner's opinions, not necessarily those of the St. Louis Fed or the Board of Governors.

Following is a sample of the questions most frequently asked concerning the recently announced amendments to Regulation Q, which became effective July 1. In general, the amendments create a new time-deposit category with a maturity of four years or more. Member banks are authorized to pay interest on this deposit at a ceiling rate of 1¼% below the average four-year yield for United States Treasury securities as determined by the United States Treasury.

In addition, the amendments increase the ceiling rate of interest payable on savings deposits by member banks from 5% to 5¼%. Also, the interest penalty required to be imposed when funds are withdrawn from time deposits prior to maturity is modified, and the \$1,000 minimum denomination requirement currently imposed on certain time deposits is eliminated.

Q. How is the rate of interest payable on the new four-year time deposits determined?

A. The yield is announced three business days prior to the first day of the month, and is based on the average daily yield for the preceding five business days. Thus, the ceiling rate that was in effect beginning July 1 was announced on June 27, based on daily yields on four-year Treasury securities for the period June 20 through June 26.

Q. In what form may the new certificates be issued?

A. The new savings certificates may be issued as either single maturity or automatically renewable instruments of any maturity of four years or more. The instruments must be nonnegotiable and interest may be paid either at maturity or periodically during the term of the deposit. Unlike the former \$10,000 minimum 26-week money-market certificates, interest on the new four-year instruments may be compounded in any manner currently prescribed by Regulation Q.

Q. What are the terms of the new interest forfeiture penalty effective July 1?

A. The new minimum early withdrawal penalty, effective for all deposit categories for new certificates issued or renewed after July 1, requires a loss of six months' interest for deposits that mature in more than one year. If the deposit matures in one year or less, the penalty will be a loss of three months' interest.

Q. How does the increase in the ceiling rate of interest payable on savings deposits affect existing savings accounts?

A. Effective July 1, the maximum rate of interest that member banks may pay on savings deposits increased from 5% to 5¼%. The increase is effective for all deposits classified as savings deposits, including corporate and other non-individual accounts.

■ ALAN B. WHITE, vice president, Lubbock National, has been elected to the board. He joined the bank in 1969 and is in charge of the marketing division.

■ REPUBLIC NATIONAL, Dallas, has named the following assistant vice presidents: Donald J. Tomnitz, Joan E. Seley, Michael L. Pool, W. Ray Colvin, Larry P. Elliott and Carol L. Peaster. Randall W. Johnson was promoted to trust officer.

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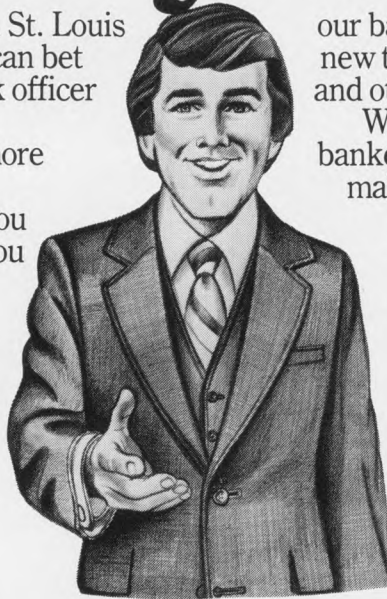
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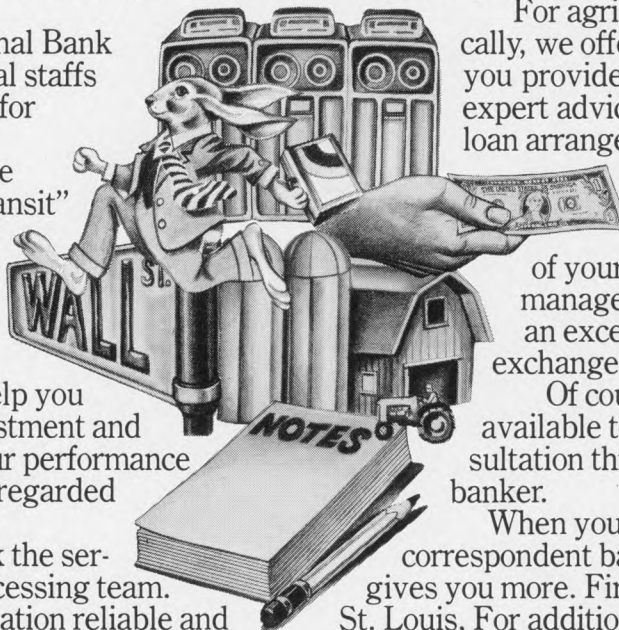
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