

MID-CONTINENT BANKER

(ISSN 0026-296X)

The Financial Magazine of the Mississippi Valley & Southwest

AUGUST, 1979

Community Involvement

**Developing
business in
rural areas**

25

**Liquidity,
Profitability
provided**

27

Agribusiness

**Farmers must
know how
to sell**

38

**Fuel
situation for
Agriculture**

42

The Resource That's at Home on the Range— Liberty Professionals.

A bank in western Oklahoma had a sizable portfolio of livestock loans. The problem was: 1979 feeding costs became substantially greater than in 1978 for the same number of cattle in a stocker program. Thus, the bank was over-loaned and still had an unfulfilled loan demand from farmers and ranchers in the area.

After a prompt step-by-step analysis, Liberty solved the problem by buying participations sufficient to bring the portfolio within loan limits to each borrower. It took prompt decision making coupled with a genuine knowledge of the cattle business. Both our correspondent and the cattlemen of the region benefited.

We believe in such step-by-step problem solving — the mark of the true professional. With it, we offer our correspondents Liberty's billion (plus) resources and **the resource no other bank can give you — Liberty professionals.**



Jim Talkington
Vice-President

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



The Liberty National Bank and Trust Company / P. O. Box 25848 / Oklahoma City, Oklahoma 73125 / 405/231-6438 / Member FDIC



V E R S A T I L I T Y

The grape. A treasure of versatility. Ripe from the vine or as flavorful jams, jellies and raisins. Tender leaves for exotic dishes. And juice that is gods' nectar—fresh or delicately aged into precious wines.

In checking, Harland represents vintage versatility. Our selection is varied and adaptable. Nationwide plants provide fresh service. And we're constantly improving with age to meet tomorrow's needs.

For half a century, Harland has provided unmistakable versatility. With check service to satisfy every taste.

HARLAND

JOHN H. HARLAND COMPANY • CHECK PRINTERS • P.O. BOX 105250, ATLANTA, GA. 30348

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Vol. 75, No. 9

August, 1979

FEATURES

23 ANY TVAs IN YOUR COMMUNITY?

Some projects that would produce new jobs?

Ralph B. Cox

25 DEVELOPING BUSINESS IN RURAL AREAS

With help from Farmers Home Administration

27 LIQUIDITY, PROFITABILITY PROVIDED

Through SBA Loan-Guarantee Program

Arthur J. Mitchell

34 EIGHT-BANK AGRIBUSINESS PROGRAM

Provides complete financial services

Jim Fabian

38 FARMERS MUST KNOW HOW TO SELL

As well as how to grow their products

Carole Hollander

42 FUEL SITUATION FOR AGRICULTURE

Biggest problem to be availability

Wayne Ritchie

67 MISSOURI BANKERS PLAN REGIONALS

To spotlight new usury law

71 KANSAS REGIONALS COMING UP

Marketing transaction accounts on programs

DEPARTMENTS

6 THE BANKING SCENE

10 BANKING WORLD

14 WASHINGTON WIRE

8 SELLING/MARKETING

12 PERSONNEL

16 NEW PRODUCTS

18 INSTALLMENT LENDING

20 CORPORATE NEWS

CONVENTIONS

56 NEW MEXICO

61 KENTUCKY

63 AMBI

STATE NEWS

78 ALABAMA

80 INDIANA

80 MISSISSIPPI

82 OKLAHOMA

78 ARKANSAS

80 KENTUCKY

80 MISSOURI

82 TENNESSEE

78 ILLINOIS

80 LOUISIANA

81 NEW MEXICO

83 TEXAS

EDITORS

Ralph B. Cox

Publisher

Lawrence W. Colbert

Assistant to the Publisher

Rosemary McKelvey

Editor

Karen Kueck

Assistant Editor

Carole Hollander

Editorial Assistant

Advertising Offices

St. Louis, Mo., 408 Olive, 63102, Tel. 314/421-5445; Ralph B. Cox, Publisher; Marge Bottaux, Advertising Production Mgr.

Milwaukee, Wis., 161 W. Wisconsin Ave., 53203, Tel. 414/276-3432; Torben Sorensen, Advertising Representative.

MID-CONTINENT BANKER (publication No. 346-360) is published monthly except semimonthly in May by Commerce Publishing Co., 408 Olive St., St. Louis, Mo. 63102. Printed by The Ovid Bell Press, Inc., Fulton, Mo. Controlled circulation postage paid at Fulton, Mo.

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

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

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.

Convention Calendar

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/Service 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.

"Letters to the Editor"

To the Editor:

I was somewhat confused by your article in the Regulatory News section on page 10 of the June issue of your magazine. This article states (sixth paragraph) "... the Fed will ban banks from offering repurchase agreements of less than \$100,000. . . ."

It is my understanding that this is merely a proposal and as yet has not been adopted as a regulation.

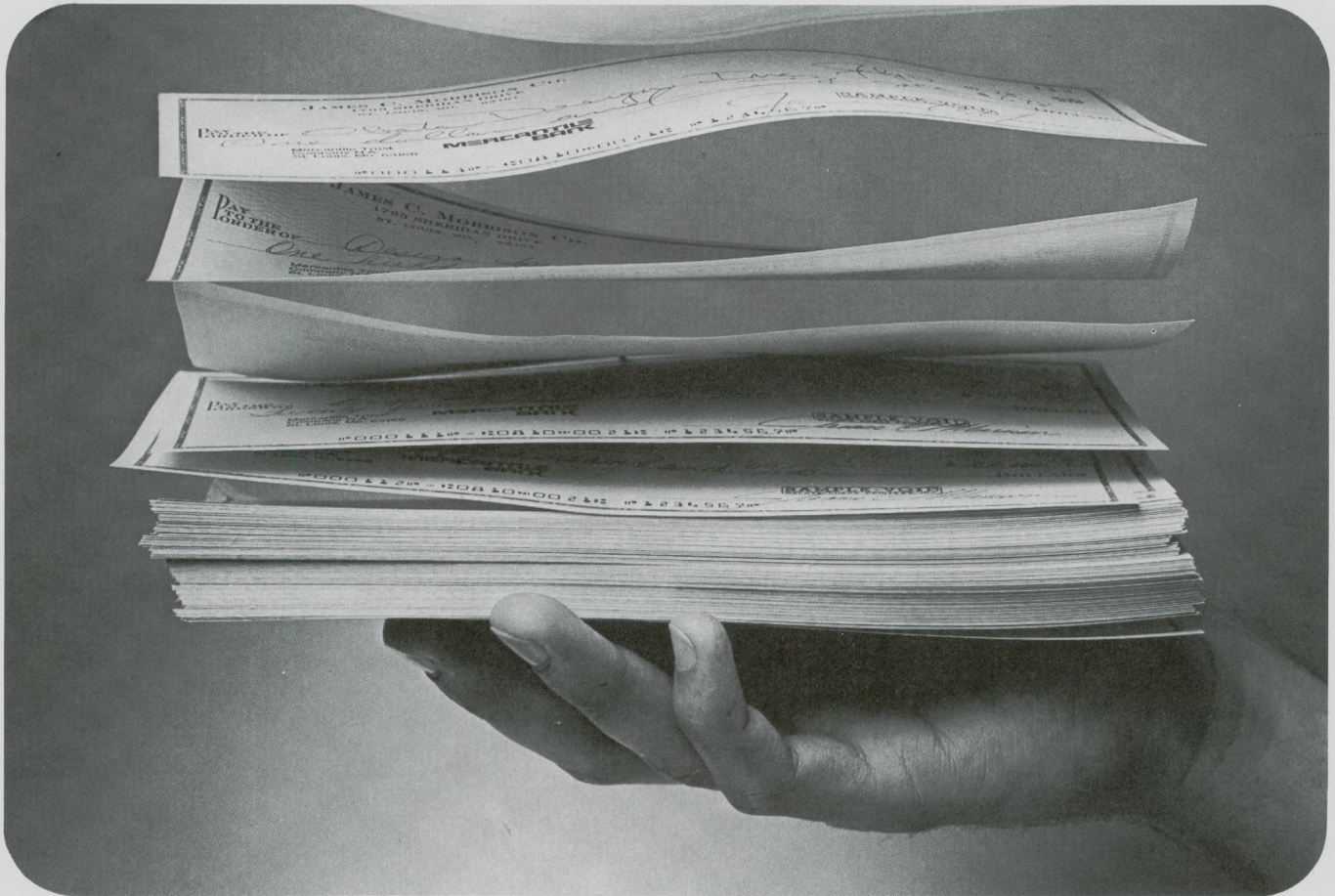
Would appreciate hearing from you regarding this matter.

Norman E. Meyer
Vice President
Tower Grove Bank
St. Louis

EDITOR'S REPLY: We are indebted to Mr. Meyer for pointing out this error in our story on increased ceilings on passbook rates and a new four-year savings certificate. What the releases from the regulatory agencies said was that they were accepting comment until July 2 on a proposal to subject repurchase agreements of less than \$100,000 to the same interest-rate ceilings as deposits of similar maturities.

MID-CONTINENT BANKER for August, 1979

Does your correspondent bank minimize float in check clearing?



A Mercantile Banker makes it smooth-sailing.

If check clearing were a one-bank operation, it would be easy. But it isn't. It takes a solid, broad-based organization.

Mercantile has that organization — one set up to handle the two most important elements in the check clearing process.

Availability. First, there's our geographical convenience. We operate four regional computer centers to speed processing: Kansas City, Macon, Springfield and St. Louis.

Over 200 direct send points to collect checks drawn on distant locations in a hurry. We continually keep tabs on airline schedules for daily deliveries to major banks around the country as well as to "remote disbursement" banks.

Float. Just as important, Mercantile experts can provide fast, accurate cash letter analysis. And they'll recommend ways to cut float to rock bottom. Another tool is the automated balance reporting system we make available to our customers.

Technology plays a big role, too. Our high-speed computers work 24 hours, processing 500,000 items every day. That's why, on the average, your checks will clear in less than 0.9 days. All in all, 1600 Mercantile employees are ready to help make your check clearing job smooth-sailing. And that's just **one** of the many correspondent services we provide.

To find out more about us, call a Mercantile Banker today.

We're with you.

**MERCANTILE
BANK**

Central Group, Banking Dept.
Mercantile Trust Company N.A.
St. Louis, MO. (314) 425-2404

The Banking Scene



By Dr. LEWIS E. DAVIDS

Illinois Bankers Professor of Bank Management
Southern Illinois University, Carbondale

Banking Reg Bill Is No Cure-All

ARE banking regulators guilty of the sin of hubris? Webster defines *hubris*, which is derived from the Greek word *hybris*, as "wanton insolence or arrogance resulting from excessive pride or from passion." Or, as one professor describes the situation, "Thinking that what you do is the most important thing in the world and that more of the same would be better still."

Note the following words of Senator William Proxmire (D., Wis.), chairman, Senate Banking Committee,

S.322 would draw into a single bank regulatory agency all functions of the Comptroller of the Currency, Fed and FDIC even though these same agencies are opposed to the concept.

which were spoken at joint hearings of his committee and the Senate Governmental Affairs Committee on the proposal to restructure the regulatory mechanism of the banking industry:

"It is obvious that the only way to ensure uniform enforcement of the banking laws is to replace the three separate-agency structure with a single agency."

Senator Proxmire supports S.322, the Consolidated Banking Regulation Act of 1979. It would draw into a single bank regulatory agency all functions of the Comptroller of the Currency, Fed and FDIC — even though these same bank regulatory agencies' spokesmen testified in opposition to the concept. It is interesting to note that representatives of state banking authorities who testified, for the most part in favor of

the bill, typically generalized that the legislation should strengthen the role of state regulators. It would encourage innovation at the state level, they say, and serve to make the banking structure more competitive.

The Kentucky commissioner of banking and securities testified:

"Many of our bankers in Kentucky today are confused, bewildered and frustrated by the many regulations and laws which confront them. In seeking answers to many questions that arise in the day-to-day operations of their banks, they are looking to one source from which they can receive an answer — then they can proceed with assurance that at the next examination they will not receive a different interpretation."

But bankers tend to oversimplify the structure of federal regulations and regulators. They overlook the fact that such federal agencies as the Internal Revenue Service, Federal Trade Commission, Securities and Exchange Commission and Health, Education and Welfare, to mention a few, do regulate banks and bank holding companies in certain areas, and that is in addition to "primary" federal bank regulation. Exactly which agencies regulate depends on the bank's charter or Fed membership. In addition to "secondary" federal regulators, state bank commissioners and other state regulators also have a voice in a bank's affairs.

I must confess that for a time during the Korean War, I, too, was a federal regulator in the Office of Price Stabilization. I had joined the OPS with an idealistic hope that the agency would help stabilize prices. It soon became apparent that while the OPS meant well, it was a destabilizing factor and did not achieve its goals. In fact, it

seemed to do more harm the longer it operated. I was criticized by my OPS superior because, as we approached the end of the fiscal year, I had not spent my full departmental budget. In a governmental agency one must spend every cent of one's budget or else the next fiscal year the budget will be cut. I was also criticized because my department got its work done promptly. My superior suggested that the action was almost unpatriotic. By attacking and whittling down the amount of paper forms and applica-

Perhaps the greatest concern involving a single consolidated bank regulator at the federal level is the possibility of abuse of power. The more power, the more likely the agency will respond along political lines.

tions for price adjustment, I was aiding and abetting an increase in prices. If my department could slow down its work, this would slow down price increases. It did not matter that most of those individuals and companies had legitimate reasons to pass on their increased costs. Consequently, difficulties arose that often led to reductions in production. As would be predicted by classical economics, this reduction in supply increased pressure to raise prices even higher.

Instances existed, such as in the price of binder twine, where a most modest increase in the price of that item would have resulted in lowering the price of a number of agricultural

(Continued on page 72)



Don Lackamp. Livestock credit analyst.

Don Lackamp is your banker's banker, specializing in livestock credit analysis.

Feel free to call him or any one of the First National Correspondent staff for help at any time.

Other specialists in the Correspondent Division are George Dudley,

Gene Foncannon, Bill Dexter, John Fowler, John O'Connor, Bill Weis, Dean Howard, 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.


Charter Bank
FIRST NATIONAL BANK
OF KANSAS CITY

10TH AND BALTIMORE □ BOX 38 □ KANSAS CITY, MO 64183

(913) 221-2000 □ MEMBER FDIC

Personal Banking Blooms in Arkansas

LIKE A TODDLER who has mastered walking, the personal services department of Arkansas Bank, Hot Springs, is mastering its most important step — one-to-one communication with customers.

The three-year-old department was formed to stem customer-identity loss due to the bank's rapid growth, says Mrs. JoAnn Bass, vice president in charge of the department.

"When a customer has a problem, he or she needs someone to go to for a solution," Mrs. Bass explains. "And we usually can give that solution by handling it or directing the customer to someone who can."

Mrs. Bass counsels current and potential customers about their accounts — existing and prospective. Another department member, Holly Sikes, helps newcomers get settled in the community. Also, the department has two lobby hostesses, Dianna Kennebeck and Sandy Pullen, who guide customers to the right departments for their banking needs.

Although the department is staffed entirely by women, Mrs. Bass says that the original concept was not aimed at any particular group of customers. "We realized from the outset that it would be a mistake to mention only women or men in our publicity. Our goal was, and still is, to make banking an enjoyable experience for people."

That concept is shared by her colleagues. "People want to see smiling faces when they walk into their bank," says Miss Kennebeck. "Or as one man put it, 'to see a ray of sunshine at each end of the building.'"



Linda Newkirk (l.) and Ernestine Justus are two members of Arkansas Bank's personal banking team.



Lobby hostesses Dianna Kennebeck (l.) and Sandy Pullen are bank's official greeters.

Miss Pullen believes that directing people to the right departments is the most important part of her job. "Our concern about our customers' banking experience makes them feel welcome, especially when we call them by name."

Mrs. Bass agrees. "They're the first employees customers see when they enter the bank; the hostesses create the first image."

In addition to greeting customers, the hostesses clip and laminate personal items from local newspapers and mail them to the individuals mentioned in the articles.

Thank-yous for this personal service have come from New York and Hawaii.

"The people really appreciate our efforts," says Miss Kennebeck. "And many of them aren't even Arkansas Bank customers."

Bank tours for school children are given by Ernestine Justus, student banking coordinator.

"The smaller kids are impressed by the money and the vault," she explains. "Helping them to start saving money, which gives them a feeling of independence and maturity" is another spinoff of the tours. In addition, the tours illustrate banking as a potential career.

The department members deal on a one-to-one basis, serving customers' individual needs, says Miss Sikes.

"The other day I helped a man, who was nearly blind, fill out his deposit slip. And our assistance includes advice and guidance to widows, widow-

ers, young people who are just getting started, people who are recently divorced, senior citizens, homemakers and working men and women," she says. ●●

Business Soothsayer:

Small-Business Forecaster Helps Predict Market Trends

Third National, Nashville, has developed a forecasting system designed specifically for small- to medium-sized businesses that offers the entrepreneur the staff, computer capability and vital information he would not be able to afford on his own.

The computer-generated forecasting system looks into the future through balance sheet, cash budget, income statement and other supporting reports to keep the small businessman informed of up-to-the-minute and projected business activity. Detailed reports are published monthly and quarterly and a ratio report on year-end results allows customers to analyze financial growth patterns, see effects of potential new products and have insight on short-term borrowing needs.

"The availability of this type of information can mean the difference between staying small and growing," said John Cipriano, a bank regional development official. The forecasting system will be available from the bank and from its affiliates and correspondent banks.

Peter G. Sloan (l.), pres., Sloan Fluid Accessories, Inc., Nashville, examines forecast prepared for his company by Third Nat'l, Nashville. Computer-generated system is custom designed for small- to medium-sized businesses and is offered through bank and its affiliates and correspondent banks. With Mr. Sloan are John Cipriano (c.), regional development bank official, and Charles Cook, bank pres.-elect.



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.

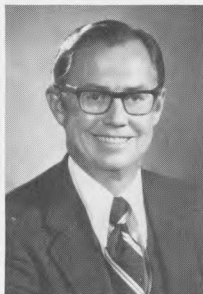
In Tennessee, 1-800-582-6277.
In other states, 1-800-238-7477.



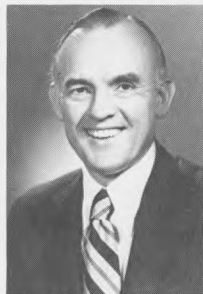
The Senior Class '79



NEWS OF THE BANKING WORLD



HART



KLEMMER



SANCHEZ

• **Carl W. Klemme**, executive vice president, Morgan Guaranty Trust, New York City, has been elected chairman of the Bank Administration Institute, Park Ridge, Ill. Mr. Klemme succeeds George Ehrhardt Jr., president, Colonial Bank, Waterbury, Conn. Mr. Ehrhardt will continue to serve on the board's executive committee for one year as immediate past chairman. N. Berne Hart, president and chairman, United Banks of Colorado, Inc., Denver, has been named BAI chairman-elect. Thus, he is in line

to become the institute's chairman next July 1. As chairman-elect this year, Mr. Hart serves on the executive and finance committees.

• **M. G. Sanchez**, president, First Bankers Corp. of Florida, Pompano Beach, has been elected president of Robert Morris Associates. Robert H. Duckworth, executive vice president, First National Bank of Arizona, Phoenix, was elected first vice president. John D. Mangels, president,

Rainier National, Seattle, was elected second vice president. Two newly elected directors from the Mid-Continent area are Jack R. Crigger, executive vice president, American National, Chattanooga, Tenn., and Leo H. Garman, senior vice president, First National, Chicago. Also, Frank Sewell Jr., senior vice president, Peoples National, Tyler, Tex., was chosen to fill an unexpired term on the board.

• **Larry N. Laminger**, assistant vice president, First National, St. Louis, was elected national vice president of the U. S. Jaycees at their 59th convention in Nashville. He will be responsible for growth and management of Jaycee chapters in metropolitan areas and serve on the executive board and executive committee. Mr. Laminger also is vice president/director of Financial Computing Corp., a data processing company owned and operated by the bank. He joined Financial Computing Corp. in 1977 as vice president/marketing. He was elected assistant vice president of the bank in 1979.

We Can Take You Away From All This!

Does your installment department spend endless hours following up on insurance coverages? We can save you those precious hours, help cut your costs AND protect EVERY chattel mortgage with insurance! How?



WITH OUR COMPUTERIZED COLLATERAL PROTECTION

And, of course, we continue to offer these insurance coverages:
* Credit Life * Single-Premium Term * Permanent Life * Mortgage Protection * Property Improvement Loans * Mobile Home Physical Damage

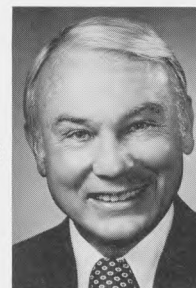


INSURANCE ENTERPRISES, INC.

5811 HAMPTON AVE.
ST. LOUIS, MO. 63109
PHONE: 314/832-2717

Miller to Treasury

WASHINGTON, D. C. — G. William Miller, Fed ch., has been nominated by President Jimmy Carter to be Secretary of the Treasury to succeed Michael Blumenthal. Mr. Blumenthal was ousted by the President last month in a broad dumping of Cabinet members and other members of his Administration.



MILLER

Mr. Miller was ch., Trexton, Inc., Providence, R. I., when he was tapped late in 1977 to succeed Arthur Burns as Fed ch. He was sworn in March 8, 1978. Mr. Miller was born in Sapulpa, Okla., and grew up in Borger, Tex.



CONDENSED STATEMENT OF CONDITION
AS OF JUNE 30, 1979
RESOURCES

Cash and Due from Banks	\$ 230,881,558.19
U. S. Treasury Securities	410,900,445.92
U. S. Government Guaranteed Securities	10,000,062.99
Obligations of States and Political Subdivisions	61,807,370.17
Stock in Federal Reserve Bank	1,500,000.00
Federal Funds Sold and Securities Purchased Under Agreements to Resell	3,800,000.00
Loans	927,020,090.52
Less: Valuation Portion of the Reserve For Possible Loan Losses	7,482,097.12
	919,537,993.40
Bank Premises and Equipment	11,191,001.13
Other Real Estate	24,239.27
Customers' Acceptance Liability	871,781.21
Accrued Income Receivable	21,279,368.73
Other Assets	9,490,662.31
TOTAL	\$ 1,681,284,483.32

LIABILITIES

Deposits	\$ 1,329,203,000.76
Federal Funds Purchased, Securities Sold Under Agreements to Repurchase and Note Option Account	189,810,633.36
Acceptances Outstanding	871,781.21
Dividend Payable July 2, 1979	1,873,725.58
Special Dividends Payable	2,381,734.94
Accrued Taxes, Interest and Expenses	19,918,800.03
Deferred Income Tax Portion of the Reserve For Possible Loan Losses	1,692,027.20
TOTAL LIABILITIES	\$ 1,545,751,703.08

CAPITAL ACCOUNTS

Capital Stock	\$ 2,800,000.00
Surplus	47,200,000.00
Undivided Profits	82,836,742.82
Capital Portion of Loan Loss and Securities Reserves	2,696,037.42
TOTAL CAPITAL ACCOUNTS	\$ 135,532,780.24
TOTAL	\$ 1,681,284,483.32



Are Employee Benefits Beyond the Fringe?

TWO COMMON WORDS used in today's business world are employee and benefits. When used together, they represent an important and expensive subject. Regardless of the kind of company with which one is associated, it is difficult to show good financial results unless personnel relations are in order. A major contributor to good relations is a solid compensation package that includes fringe benefits. However, how does an employer decide what benefits to provide?

First, let's take a close look at the background of fringe benefits. Before 1940, the work force of America was concerned mainly with hourly wages and required number of weekly hours. But the wage freeze during World War II shifted everyone's interests to the

By **CHARLES R. BURROWS**
Assistant Vice President
Manufacturers Hanover
Trust Co.
New York City

50% of total payroll dollars will be spent on employee benefits by 1985.

Considering that benefits play such a significant role in national labor relations, exactly where are they in the banking industry? Banks are competing vigorously with industry to recruit promising men and women with both graduate and undergraduate degrees to enter management positions. Benefits are a major element in attracting and retaining a quality staff.

Pensions are the oldest fringe benefit, dating from 1875 at American Express, Inc. Almost without exception, banks have addressed the subject of fringe benefits and have formed some sort of policy on the subject. Today, most banks provide some kind of retirement program, and many have added profit-sharing plans. Life insurance and comprehensive medical coverage also have become fairly standard items, "expected" by most employees. Statistics prove that the chances of a serious disability during any one year are much greater than the chances of death. Because of this, employers are interested in long-term disability insurance.

At Manufacturers Hanover Trust (MHT), the importance of meeting its employees' needs led to development of a comprehensive benefit program, which provides protection for employees and their families. Besides the familiar life, medical and disability insurance, MHT is deeply committed to its pension and profit-sharing plans. The list of "fringe" benefits includes free checking, auto and home owners insurance at reduced rates and a liberal vacation policy. One important incentive offered is the "tuition-refund plan," which encourages employees to supplement their on-the-job training with evening college studies at graduate and undergraduate levels. Of course, even with all these attractive benefits, employees cry for more —

optical insurance, prescription drugs and group legal insurance, to name a few.

For years, MHT has kept current with the growing list of employee benefits in the banking industry. Our bank analyzed the increasing costs for benefits, especially as they applied to small groups, in considering how we might help banks. Large companies are fortunate to have the size and purchasing power to qualify for preferred group insurance rates. Smaller firms still have to meet demands for matching benefits, but don't have the advantage of lower large-group rates. Some state banking associations interceded to develop multi-employer plans that gave smaller banks competitive rates. Using all this input, MHT decided it could

"Today, most banks provide some kind of retirement program, and many have added profit-sharing plans. Life insurance and comprehensive medical coverage also have become fairly standard items, 'expected' by most employees."

unregulated area of employee benefits. The resulting modification in workers' expectations and demands, combined with government failure to enact national health insurance and expand social security, started the movement to private employee-benefit plans. Within 10 years, private health plans and employer-sponsored pension programs spread throughout the nonagricultural work force, including the banking industry.

Employee benefits have become not only a fact of life, but a tremendously significant part of the total cost of compensation. Benefit costs have grown almost twice as fast as wages. Wages and salaries increased by a staggering 85% between 1965 and 1975. Even more important is the fact that benefit costs grew by an astronomical 165%. Estimates show that approximately

"Looking ahead, we foresee a system that will allow an individual employee to tailor-make his own compensation package. . . . This cafeteria style of fringe benefits is beginning to be used by some major corporations throughout the country."

help its vast network of correspondent banks by developing employee-benefit programs for the marketplace. These programs were designed to enhance those correspondent-banking relationships.

Today, MHT offers five major employee-benefit programs to its correspondents. The group life insurance plan makes various options available to employees and outside directors. The plan allows the individual bank to modify insurance to meet its own particular situation. As a supplement to basic hospitalization plans, MHT offers a major medical insurance program with a liberal \$250,000 maximum. Long-term income protection and pensions also are in our correspondent employee-benefits package. The latest addition to the plans offered is the

(Continued on page 74)

Get to know your Commerce banker.



Steve Erdel graduated from Westminster College in 1973 and joined Commerce Bank of Mexico, Missouri the same year. Before moving to Kansas City, he was involved with the Audrain County Historical Society. Outside interests include snow and water skiing, photography and hunting. When you need a good correspondent banker with a lot of agribusiness expertise, look for Steve Erdel.

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."



John Messina joined Commerce in 1949, and brings you the benefit of 30 years of banking operations experience. He's involved with fund-raising for the YMCA and American Cancer Society. John's a coin collector and jogger. In correspondent banking, he'll give you a good run for your money.

We're the leading correspondent bank in the Midwest.

What can we do for you?

Commerce Bank of Kansas City ^{NA}

10th & Walnut 816/234-2000

MEMBER FDIC

End to Reg Q Part of New Senate Bill

AN END to the Reg Q differential, higher interest rates for "small savers" and broadened transaction-account authority for all types of depository institutions are focal points of a new Senate proposal that may be making its way through the halls of Congress late this summer.

The "Depository Institution Deregulation Act" (S.1347) is not without flaws from the banker's point of view, but it still could provide an important framework for an orderly transition into a new era for banks, thrifts and their customers.

Contents of this bill are nothing if not sweeping. To begin with, all depository institutions would be empowered to offer NOW (negotiable order of

the Fed one step closer to reality.

S.1347 would create a universal foundation of transaction account balances for banks and thrifts which is being put forth as the new primary category of accounts on which the Fed's reserve structure would rest, as outlined in current bills addressing the Fed-membership issue. Combined, these two facets give this proposal for nationwide NOW accounts a velocity and urgency that was lacking in similar bills offered in recent years. NOW deposits would be subject to a uniform reserve requirement and would yield depositors an interest rate one quarter per cent below the lowest ceiling rate on passbook accounts.

Other sections of the bill have potential that will keep it even more closely in the public eye. It contains provisions for a gradual increase of deposit-rate ceilings over a 10-year period. Citizens' groups such as the Grey Panthers who have lobbied heavily for higher interest rates for "small savers" will do much to assure that this bill stays on the front burner. Many in government also see it as a valuable weapon against inflation through its encouragement of savings.

For bankers, S.1347 offers many new opportunities to achieve the illusive "level playing field." Interest-rate ceilings and reserve requirements on interest-bearing transaction accounts would be the same for all institutions as equal powers to deliver these services are attained. All institutions offering NOW or similar accounts would assume equal regulatory responsibilities. Authority for thrifts to expand their asset powers, including allowing them to invest in certain types of commercial paper and corporate debt, would be tied to thrifts' willing assumption of an even share of regulatory responsibilities. The most important aspect of the "level playing field" — elimination of the Regulation Q differential favoring thrifts — is included in the bill. But the timing proposed for elimination of the differential is expected to provide a crucial point of argument as the bill moves through Congress.

Tied to the 10-year "ratcheting up" of the Reg Q interest-rate ceiling for banks and thrifts, the differential would not disappear statutorily until the end of this period, although as a factor in the marketplace it would be quickly devalued by the inability of most thrifts to keep up as the Reg Q ceiling begins to function as a true ceiling and not an interest rate mandated by law.

Bankers are beginning their arguments on where the new bill needs to be changed by saying the differential should go at or near the time when the raising process for interest-rate ceilings begins.

Another matter of time that is in dispute is just when the "ratcheting up"

For bankers, S.1347 offers many new opportunities to achieve the illusive 'level playing field.' Interest-rate ceilings and reserve requirements on interest-bearing transaction accounts would be the same for all institutions as equal powers to deliver these services are attained.

withdrawal) accounts to their individual customers. This universal, interest-bearing transaction account would achieve two important goals. First, it would "legitimize" by act of Congress interest-bearing transaction services outlawed by the recent Appeals Court decision that otherwise would necessitate interruption of automated-transfer accounts at banks, share-draft accounts at credit unions and "remote-service unit" ATMs offered by many S&Ls unless such action was taken by Congress before next January. A second important and contemporary aspect of this part of S.1347 is that it would move what is being proposed as the new reserves base for

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

The "Depository Institution Deregulation Act" addresses many issues comprehensively that, no doubt, will reflect the different competitive environment that banks and thrifts will face in the 1980s.

process should start. The present version of the bill allows for a two-year delay. Bankers are pressing for an immediate rise as soon as the bill becomes law. The latter course would offer a number of advantages. It would maximize the anti-inflationary aspects of the provision and give immediate relief to "small savers." It also would allow for elimination of the quarter-point differential by allowing ceilings for banks to rise more rapidly than those for thrifts. Another important section of the bill relates to usury ceilings, increasing or eliminating them outright.

Bankers saw three more areas where the bill could be improved with regard to achieving the "level playing field." The differential should be eliminated immediately for all institutions choosing to offer transaction accounts. Additional asset powers for thrifts provided in the bill should not be awarded until

(Continued on page 37)

Our Correspondent Bankers have one important asset in common.



Authority.

Left to Right: Sam Hayes, Charles Rice and Marc Tower.

The authority to make decisions.

That's what you'll find when you talk to the men in our Correspondent Banking Department.

They're experienced professionals trained in the science of making quick, accurate decisions on their own. Day-to-day decisions which affect futures . . . in agri-business, oil and gas, petrochemicals, international business, and trust and management assistance.

You can't afford to wait for advice or an answer. When you need it, you need it now. And we're the authority. Call Charles Rice, department manager, 588-6254.



**BANK OF
OKLAHOMA** [®] _{NA}
P.O. Box 2300 / Tulsa, OK. 74192

Our Capabilities Expand Yours

Marvin Bray	Bill Hellen	Larry Koch	Tom Quillin
588-6619	588-6620	588-6000	588-6334

Member FDIC

MID-CONTINENT BANKER for August, 1979

15



• **Daktronics, Inc.** This Brookings, S. D.-based firm has installed a two-sided message/information center at Bethany (Mo.) Trust. The display — created to promote greater awareness of the bank in its community of 3,000 — is mounted on a corner location so that it's visible from all four approaches to the intersection. The message/information center features community information and announcements as well as time and temperature in both Celsius and Fahrenheit. Programming is done from a keyboard entry inside the bank, and capability is enhanced by an 8,000-plus character-memory system. Write: Daktronics, Inc., 331 32nd Ave., Brookings, SD 57006.

• **LeFebure.** A closed-circuit TV system for drive-up application, a modular alarm system and a UL-listed vault door are being offered by the company. The TV system combines separate video pictures of a customer and his auto license plate into a composite split image, and time and date of transaction are recorded on video tape. The alarm can be engineered for Grade A or B requirements and is designed for low initial cost with add-on capability. More than 50 components are available. The 5000 series vault door was the first in the world to pass UL vault door standards for burglary re-



LeFebure's wireless alarm components (l.) come with portable transmitter, central receiver (which plugs into basic alarm system) and fixed-position transmitter. Signature-verification system (r.) operates on closed-circuit TV, which combines separate images of customer and his auto license plate.

New Products and Services

sistance, according to LeFebure. The Mod 22 safe deposit boxes feature double key changing locks, satin nickel doors and textured gray epoxy finishes. Write: LeFebure, P. O. Box 2028, Cedar Rapids, IA 52406.



• **Buddy's Promotional Advertising.** A calendar that displays not only the bank's advertising, but also its community, county or parish on a map, is available from this advertising firm. It comes in two sizes, 17x22½ inches or 22x34¼ inches, and in four colors. Write: Buddy's Promotional Advertising, 9542 Mammoth, Baton Rouge, LA 70814.

• **Silent Watchman Corp.** A holdup switch and holdup foot rail designed to operate silently in the presence of criminal threats are being offered from the company. The switch is suited to retail checkout counters and has single-push operation. The foot rail can be mounted on the floor beneath the counter for hands-free operation. The foot rail has topside toe actuation positioned about two inches from the floor to minimize nuisance alarms and prevent accidental use. Write: Silent Watchman Corp., 4861 McGaw Road, Columbus, OH 43207.

• **Cummins-Allison Corp.** The firm is offering a new coin sorter/counter that works at a rate of more than 6,000 coins per minute. The unit has a bag-switching capability, LED display register and a line printer to generate multiple receipts of each transaction. Write: Cummins-Allison Corp., Automated Money Systems Division, 4740 N. Ravenswood Ave., Chicago, IL 60640.

• **Old Republic International Corp.** This firm has expanded the number of financial services it offers the banking field. Through its subsidiary, Old Republic Insurance Co., it now can provide residual value insurance on equipment financed through installment contracts, operating or finance leases. This insurance protects the bank and customer against loss if equipment sold at a future point is worth less than a specified, insured amount. Thus, lessees would have lower payments and lessors, more favorable accounting bases. Write: Residual Value Management Corp., P.O. Box 820C, New King St., North White Plains, NY 10603.

• **NCR Corp.** The company has announced a new teller terminal designed for all types of window transactions as well as back-office accounting tasks, especially for the savings departments of commercial banks. The micro-processor features a TV-like screen on which instructions appear to lead tellers step by step through most transactions. The system has two printers: one that prints a 40-column line and is used for journal tape printing or for validating documents, another that prints a 90-column line for passbook and other wide-form printing. It can function as an on-line terminal linked with a central computer, but also can operate as a free-standing unit. The operator console includes a visual display screen and function keys, typewriter keyboard and a 10-key numeric keyboard. The keyboard can be used as an electronic calculator or as a regular typewriter to type forms, without entering the information into the terminal system. Unit functions include deposits, withdrawals, inquiries, and payments, such as mortgage loans, installment loans, utility bills and Christmas and vacation club payments. Write: NCR Corp., Dayton, OH 45479.





First Commerce Corporation and First National Bank of Commerce

AND SUBSIDIARIES • NEW ORLEANS/SIX MONTHS ENDED JUNE 30, 1979

FIRST COMMERCE CORPORATION

CONSOLIDATED STATEMENT OF INCOME

(In Thousands)

	Six Months Ended June 30,	
	1979	1978
INTEREST INCOME		
Interest and fees on loans	\$24,465	\$25,467
Interest on obligations of states and political subdivisions	1,402	1,278
Interest on other investment securities	4,667	1,708
Interest on trading account securities	104	105
Interest on short-term investments and bank deposits	8,051	2,775
Total interest income	38,689	31,333
INTEREST EXPENSE		
Interest on passbook savings deposits	2,884	3,022
Interest on other consumer time deposits	1,667	1,227
Interest on time deposits of \$100,000 and over	7,770	5,177
Interest on foreign branch time deposits	759	733
Interest on short-term borrowings	6,319	3,701
Interest on long-term debt	976	872
Total interest expense	20,375	14,732
NET INTEREST INCOME	18,314	16,601
PROVISION FOR LOAN LOSSES	2,422	3,546
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	15,892	13,055
OTHER INCOME		
Service charges, exchange and other fees	2,664	2,932
Other operating revenue	766	950
Trading account securities gains and losses	85	77
Total other income	3,515	3,959
Total operating income	19,407	17,014
OPERATING EXPENSE		
Salary expense	5,453	5,414
Employee benefits	1,282	931
Total personnel expense	6,735	6,345
Net occupancy expense	1,398	1,543
Equipment expense	1,336	1,660
Other operating expense	3,845	4,651
Operating expense before cost of other real estate	13,314	14,199
Cost of other real estate	1,634	181
Total operating expense	14,948	14,380
INCOME BEFORE INCOME TAX EXPENSE AND NET SECURITIES LOSSES	4,459	2,634
INCOME TAX EXPENSE	1,324	844
INCOME BEFORE NET SECURITIES LOSSES	3,135	1,790
Total investment securities gains and losses	(16)	(705)
Related income tax	7	338
Net securities losses	(9)	(367)
NET INCOME	\$ 3,126	\$ 1,423
EARNINGS PER SHARE		
Primary		
Income before net securities losses	\$ 1.48	\$ 0.85
Net income	\$ 1.48	\$ 0.67
Fully diluted		
Income before net securities losses	\$ 1.26	\$ 0.77
Net income	\$ 1.26	\$ 0.64
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	2,113	2,109

CONSOLIDATED STATEMENT OF CONDITION

(In Thousands)

	JUNE 30,	
	1979	1978
ASSETS		
Cash and due from banks	\$120,674	\$130,649
Due from banks — time	18,500	19,000
Investment securities:		
U.S. treasury securities	83,605	35,443
Obligations of U.S. agencies and corporations	47,285	33,514
Obligations of states and political subdivisions	49,006	38,227
Other bonds, notes, debentures and corporate stock	1,896	1,642
Total investment securities (market value of \$180,588,000 and \$105,646,000, respectively)	181,792	108,826
Trading account securities	634	1,030
Other short-term investments	155,736	107,222
Loans	408,921	511,129
Allowance for loan losses	(6,930)	(4,924)
Unearned income	(6,179)	(8,112)
Total net loans	395,812	498,093
Direct lease financing, net of unearned income of \$871,000 in 1979	3,384	1,149
Bank premises and equipment	14,225	14,814
Due from customers on acceptances	1,570	5,699
Foreclosed property	3,649	7,581
Real estate subject to contracts of sale	10,073	12,531
Accrued interest on securities and loans	9,446	8,636
Other assets	3,586	5,305
Total assets	\$919,081	\$920,535
LIABILITIES		
Deposits in domestic banking offices:		
Demand deposits	\$319,980	\$343,401
Passbook savings deposits	114,920	121,239
Other consumer time deposits	53,399	38,932
Time deposits of \$100,000 and over	156,077	162,772
	644,376	666,344
Foreign branch time deposits over \$100,000	17,271	21,132
Total deposits	661,647	687,476
Short-term borrowings	157,660	137,156
Bank acceptances outstanding	1,570	5,699
Accrued interest payable	6,491	5,626
Accounts payable and other accrued liabilities	6,908	4,977
Long-term debt	24,153	21,731
Total liabilities	858,429	862,665
STOCKHOLDERS' EQUITY		
Common stock, \$5 par value		
Authorized — 10,000,000 shares		
Issued — 2,185,721 and 2,181,048 shares, respectively	10,929	10,905
Capital surplus	25,483	25,375
Retained earnings	25,936	23,286
	62,348	59,566
Less — 71,518 shares of common stock in treasury, at cost		
	(1,696)	(1,696)
Total stockholders' equity	60,652	57,870
Total liabilities and stockholders' equity	\$919,081	\$920,535

These financial statements are preliminary unaudited figures, and are subject to adjustments which may or may not be material.

OFFICERS OF FIRST NATIONAL BANK OF COMMERCE/FIRST COMMERCE CORPORATION

THOMAS G. RAPIER
President and
Chief Executive Officer

FRANCIS C. DOYLE
Chairman of the Board

IAN ARNOF
Executive Vice President
Chief Financial Officer

A. PEYTON BUSH III*
Executive Vice President
Chief Operations and Retail Banking Officer

MICHAEL A. FLICK*
Executive Vice President
Chief Credit Policy Officer

CHRISTOPHER B. YOUNG*
Executive Vice President
Chief Lending Officer

JOHN H. PALMER
Senior Vice President
Chief Business Development Officer

JOSEPH C. WHITE*
Senior Vice President
Chief Economist

* Officer of First National Bank of Commerce only.

Credit Insurance: Coercive or Voluntary?

Robert A. Eisenbeis and Paul R. Schweitzer, "A Study of Tie-ins Between the Granting of Credit and Sales of Insurance by Bank Holding Companies and Other Lenders," staff economic study, Publications Services, Division of Administrative Services, Federal Reserve Board, Washington, DC 20551.

* * *

THIS 1978 study of credit and property insurance is based on a survey conducted by the Federal Reserve System of bank HCs and on the 1977 Federal Reserve Survey of Consumer Credit, during which 2,563 persons were interviewed. The findings are relevant both to credit grantors offering credit insurance and to those proposing changes in current regulations. The study was prepared at the request of the Senate Committee on Banking, Housing and Urban Affairs.

On the supply side, represented by bank HCs, reported penetration rates (proportion of credit users buying credit insurance) "show wide variation by type of lender, type of loan and location of holding company." To illustrate, small banks (excluding those in the Midwest) writing only credit insurance sold credit insurance on 25% of their direct auto loans; whereas, large Midwest banks had a corresponding penetration rate of 76.5%. Generally, penetration rates were highest for finance company subsidiaries. The survey indicated that bank officers typically "offer credit insurance before the monthly payment is determined, but after the credit is approved." On the basis of penetration rates achieved and operating practices reported, the authors conclude that the results "are not generally consistent with widespread tying"; that is, by coercive actions of lenders to tie the sale of insurance to the extension of a loan.

On the demand side, data from the consumer survey show use of credit insurance by source and purpose of credit. Summary data for various

	Percentage of consumers with credit insurance
Retailer, dealer	40%
Bank	61
Finance Company	75
Credit union	70
Total all credit grantors	72%

credit sources are shown in the accompanying table.

By purpose or form of credit, penetration rates ranged from 33% for home repair and modernization loans (finance company and retailer) to 87.5% for new car credit (finance companies). As will be observed later, higher penetration rates of finance companies and credit unions reflect in part a higher demand by their customers for this form of protection.

About three-fourths of consumers surveyed did not report an impression that insurance was required, with this percentage ranging from 65% for customers of finance companies to 85% for retail credit buyers. Overall, the proportion of consumers saying they understood credit insurance was required (16%) was exceeded by the fraction who reported the creditor never mentioned insurance (22%).

The possibility of coercive tying of credit insurance to the granting of credit was explored further by testing consumers' attitudes toward credit insurance. Presumably, if they had been forced to buy an unwanted service,

consumers would have an unfavorable attitude toward that service. If consumers who did not know about credit insurance or who did not respond to the question are excluded from the sample, 94.2% of respondents replied they "thought credit insurance was a good thing," the large majority without any qualifications. This high level of acceptance held for almost all forms of credit and credit grantors.

The Eisenbeis/Schweitzer findings also confirm those in an earlier monograph published by the Credit Research Center.¹ Those consumers with the most favorable attitudes were those who had financed small amounts, who had less than a high school education and who had middle to low incomes. For these consumers, protection of credit insurance is more meaningful than it is to more affluent consumers who usually can meet their debts even though they suffer interruptions in income from illness or death. From their evidence, the authors conclude that "the high frequency of purchase of credit insurance together with consumer attitudes are more consistent with the hypothesis that the joint purchases (of credit and credit insurance) are voluntary." ●●

¹ Joel Huber, *Consumer Perception of Credit Insurance on Retail Purchases*, Monograph No. 13, Credit Research Center, Purdue University.

Home-Improvement-Loan Program Announced by Government Agency

THE FEDERAL Home Loan Mortgage Corp. (FHLMC) has announced proposed characteristics of a purchase program to buy a 50% to 90% interest in loans to finance permanent improvements of one- to four-family dwellings.

Eligible loans must be secured by a lien on the improved property and may not exceed \$30,000 for a single-family structure, including a planned unit development or condominium unit, or \$60,000 for a two- to four-family structure.

FHLMC Executive Vice President Bill Thomas said, "The success of current neighborhood revitalization and energy-conservation measures de-

pends, in part, on availability of credit for property improvements. Since there currently is no organized secondary market for rehabilitation and home-improvement loans, this program should increase the amount of money available for property improvements and encourage a broader spectrum of lenders."

Original terms of the loans purchased must be at least three years, but no more than 30. The loans must be closed prior to submission for purchase by the corporation and must be originated on the uniform loan documents the corporation is developing in conjunction with the Federal National Mortgage Association (FNMA). ●●

This article was reprinted with permission from the May-June issue of *Monitor*, published bimonthly by the Credit Research Center, Krannert Graduate School, Purdue University, West Lafayette, Ind.



THE NEW BANKING SYSTEM Walls that aren't really walls. Privacy achieved with open space and flexibility. No closed doors. No inflexible hallways or offices. You're looking at an area in a major bank using the most efficient system in commercial design today . . . modular. The system, one of several we offer, and the design came from us, Arrow Business Services. Modular office systems are just one of the ways we'll make every square foot you have work for you, flexible enough to change as you do. We have 16,000 square feet of ideas in our showroom and 25,000 square feet of active inventory to back them up. With our bank experience, we're sure to have the right idea for you. Give us a call.



BUSINESS SERVICES, INC.
an affiliate of Memphis Bank & Trust
3050 Millbranch • Memphis, Tennessee 38116
901/345-9861



Give your customers
the books they've been
waiting for.

Isn't it time you allowed your mortgage and instalment loan customers to use Cummins Coupon Books? Thousands of financial institutions can attest to the success of Cummins MICR and OCR coupon books as vehicles with which to generate on time, regular payments.

Full field MICR/OCR flexibility, expanded 24 position alphanumeric account field, selective cross selling advertising, add-on, actuarial or simple interest books. These are just a few of the features and advantages that make Cummins MICR Coupon Books everyone's favorite time payment system.

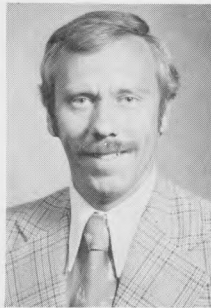
Bring these Best Sellers into your bank. Do it for your operations and marketing people. Do it for your customers. They'll be glad you did—and so will you.

Contact any one of our 60 branch sales and service offices for more information.

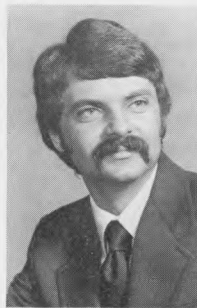
CA CUMMINS
CUMMINS-ALLISON CORP.

Information Services Division
1825 Glenview Road
Glenview, IL 60025
312 / 724-8010

Corporate News Roundup



IJJAS



MEYER

• **Diebold.** Jeffrey L. Meyer has been named district service manager of Diebold's new service branch facility in Springfield, Mo. Mr. Meyer joined the company in 1974. The new facility represents an expansion of the Canton, O.-based company's service in the southwest Missouri/southeast Kansas area. The facility will have its own inventory of commonly required parts. Joseph Z. Ijjas has joined Diebold Contract Services as regional manager, financial buildings. He will be responsible for marketing and technical support of Diebold Financial Buildings in the Midwest, including Texas and Oklahoma. Previously, he was employed at Pittsburgh Plate Glass Industries.

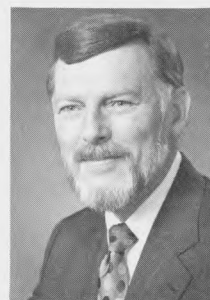
• **Daktronics.** This Brookings, S. D., firm has been designated an "Official Supplier of Electronic Scoreboards to the 1980 Olympic Games." Daktronics is providing nine major scoreboards for use at the games starting February 12, 1980. The ski jump, cross country, biathlon and down-hill skiing scoreboards were used for the pre-Olympic trials in early 1979 at Lake Placid. Installation of the hockey, speed skating, bobsled, luge and slalom scoreboards will be completed in October. The grant gives the company the "licensable rights" to all legally protected logos, emblems, mascots, trademarks or other artistic and architectural work for use on company letterheads, literature and promotional material.

• **Howard J. Blender Co.** Charles Seagraves III has been named senior vice president of this Dallas firm. He will head the newly created national

account executive staff. Previously, he was vice president/financial systems sales at University Computing Co.

• **Walk, Young & Wells.** This Memphis-based marketing firm serving financial institutions in the Mid-South has changed its name to Cliff Davis Associates, Inc., and has named Raymond E. Hale Jr. president. Clifford Y. Davis Jr., chairman and founder, is a past president of the Bank Marketing Association and previously served as a corporate officer of First Tennessee National Corp., a \$2-billion multi-bank HC headquartered in Memphis. Previously, Mr. Hale, a certified public accountant, was vice president/manager, First Tennessee Leasing Corp.

• **Aetna Business Credit.** Jeff A. Pope has been appointed credit officer in the East Hartford, Conn., company's Midwest marketing center in Chicago. He will be responsible for formulating loan programs for new business prospects throughout the company's Midwest region. He was account executive, James Talcott, Inc.




COLLINGS



POPE

• **Doane Agricultural Service.** Gerald W. Collings has joined Doane Agricultural Service, St. Louis, as research director of the ag chemicals group, marketing research division. He will direct research activities on multi-client and special studies with initial areas of concentration in developing seed market segmentation studies and special studies of food processing and market development. Previously, Mr. Collings was employed by Continental Grain Co., New York City, as a senior economist. Also, Paul G. Krienke has joined the agricultural service company as a farm manager/consultant in the company's Mexico, Mo., office. In this position, he manages 56 grain and livestock farms totaling approximately 14,000 acres. Before joining Doane, he was an agricultural representative for Humboldt (Kan.) National.



Dallas is to money what Chicago is to transportation.

Chicago is our kind of town: A transportation hub. Trucking, shipping, the railroads all center in Chicago. And O'Hare is the nation's busiest airport.

It's transportation that makes Chicago go. Like it's money that drives Dallas.

Dallas is the Southwest's lead city in correspondent banking, and through Republic National Bank of

Dallas you can offer your customers a complete range of financial services, in each of our departments—Trust and Investment, Petroleum and Minerals, even International.

Republic's help and cooperation are sought by correspondent banks in virtually every state. Because we offer our correspondents the

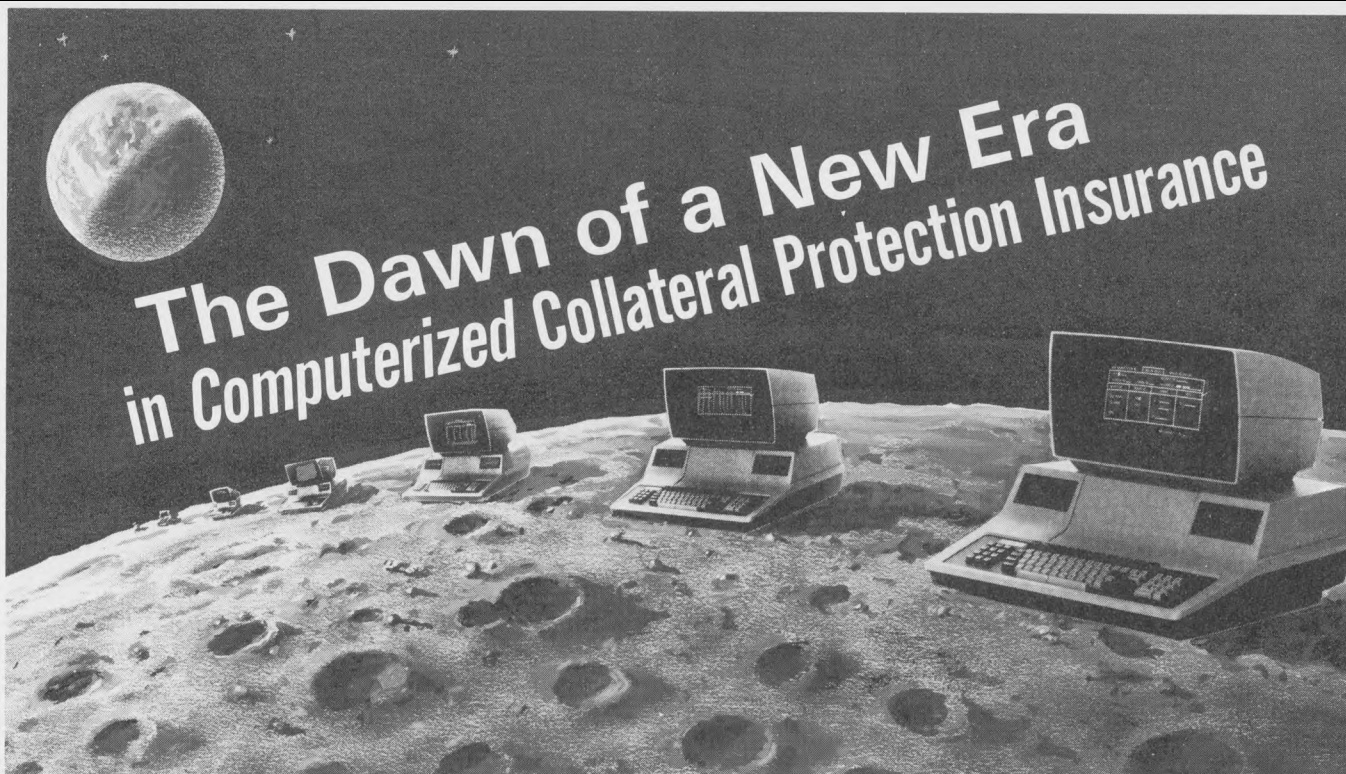
capabilities and financial services of the Southwest's preeminent commercial bank.

Today, it's finance that keeps Dallas on the move. As well as transportation, since our own D/FW Airport is third in domestic air carrier operations. Because what Chicago is to transportation, Dallas is to money. And Republic National Bank *is* Dallas.

Republic National Bank is Dallas



Member FDIC



The Dawn of a New Era in Computerized Collateral Protection Insurance

More than a hundred banks from coast-to-coast have successfully launched our advanced computerized management system for insurance administration. (For example, our

computer even files your mail.) Compared to conventional insurance follow-up systems, it's like the difference between the automobile and the horse and buggy.

A Revolutionary New Management System

It Eliminates Most of the Work You Do

Forget about trying to track insurance manually . . . researching files for cancelled and expired policies, preparing customer notices, management reports. National Underwriters has integrated every aspect of a bank's internal insurance and title administration into a total computerized system adaptable to your operation.

We Do It All For You Faster, More Accurately

Every week you'll receive an updated "Borrower's List" detailing the insurance status of all collateralized loans. Refund figures are included for all customers with VSI insurance, and loans are cross-referenced where a secondary name may relate to the primary borrower.

All Your Accounts Are Fully Protected

From inception to title release, every secured loan you make is protected with our Errors and Omissions Coverage with no cost to the bank. After all, even the best computerized system is subject to a few human mistakes.

Only Non-insured Borrowers Pay the Cost

That places the burden where it belongs. And thanks to our Annual Term Option, these policies can be written a year at a time, keeping premiums to a minimum. Even the borrower benefits, because coverage can be passed on to him, reducing repossessions by as much as 25%.

You Maintain Total Management Control

The weekly update of insurance information automatically instructs the computer to prepare customer notices. We send you the pre-addressed mailers for review and distribution, so your bank management always retains ultimate control. Once valid insurance or title information is put into the system, the sequence of customer notices stops.



CALL TOLL FREE (800)428-4329
In Indiana (800)382-9831

For a listing of agents in your state, contact
Jan Gulden, Vice President—Operations

NATIONAL UNDERWRITERS, INC.

1828 North Meridian Street
Indianapolis, IN 46202

THE SERVICE PROFESSIONALS

MID-CONTINENT BANKER for August, 1979

Are There Any TVAs In Your Community?

LAST MONTH, as we developed editorial plans for our annual Agriculture-Community Development Issue, we received a letter from an old banking friend — J. I. Crossett, now chairman of the Moscow (Tenn.) Savings Bank. Mr. Crossett obviously is a “saver.” He started out his letter by saying, “In going through some old magazines a few days ago, I came across an edition of the MID-CONTINENT BANKER dated June, 1938! In this edition, he said, “was an article taken from a speech I made entitled ‘What the TVA Means to Bankers of the South.’”

It might be interesting for us to re-read that article Mr. Crossett copied and sent to us. It involves some predictions of the future and how he believed at the time that bankers, and the entire South, would benefit from the cheap power that would be produced by the TVA.

He emphasized in his letter to this publication that, at the time, he was not trying to be “a prophet,” but was stating his belief that bankers, or any other businessmen, should be building their businesses on a “foundation of faith.”

Back in 1938, Mr. Crossett had faith that the cheap power developed by the TVA would mean new industry, new businesses, new jobs, new payrolls, new financing opportunities for bankers. He even outlined in his article thoughts on how bankers might find some opportunities in consumer financing of “gadgets” that would consume this new electrical power — refrigerators, stoves and the like.

Over the years, of course, banks gradually have taken away most of the

By **RALPH B. COX**
Publisher

installment-loan market from the consumer finance companies.

Perhaps there are times today when bankers begin to lose their “faith” or at least have it shaken as new sets of problems beset our industry and agriculture, i.e., skyrocketing costs of energy, fluctuating interest rates, governmental regulations, ecological impact statements, etc.

Nonetheless, the banker, most of all, must have faith in his community, its people and its resources. He should, must, do everything in his power to mobilize those various resources to create new industries, new agricultural ventures, new jobs, increased income for his community. It should be the very nature of a banker to be interested in his community, its people and its projects.

Perhaps not every banker recognizes this as he handles individual loan requests, individual problems from day to day. But he *is* there to serve his community, for when he does help his community, he indirectly (yes, even directly) affects his own bank.

We invite you to read the following comments made by Mr. Crossett who, at that time, was director of advertising and public relations for Union Planters Bank of Memphis. “All the statements I made about the future impact of the TVA,” he writes, “have materialized as well as a host of others. Needless to say, the South has prospered from the benefits accrued from this project.”

Mr. Banker, do you have a “hidden

TVA” in your community — a new business venture that is struggling, a farmer who deserves your attention and your financing if possible, a school or a hospital or a church that may need your advice and counsel and, where possible, your financial assistance?

Your TVAs may be small ones, but collectively, with your help, they can help your community.

We are indebted to Mr. Crossett for sending us the following article from our old June, 1938, issue — a mere 41 years ago!

* * *

What the TVA Means To Bankers of the South

BY J. I. CROSSETT

TO THE average person, the term “TVA” means a vast amount of government spending and construction of a number of dams along the Tennessee River in Alabama and Tennessee. There seems to be a general impression that the TVA development will result in a lot of cheap electrical power that will benefit only a relative few. This impression, however, is not strictly accurate.

The Tennessee Valley Authority development is one of the government’s largest projects, and it affects the welfare of virtually everyone who lives in the South. The effects of this development will be numerous and important. The dams, aside from generating electrical energy, will aid materially in al-

leviation of flood conditions and will prevent loss of thousands of acres of fertile topsoil along the course of the Tennessee River and its tributaries. Navigation will be improved, giving farmers cheaper access to markets, while the fertilizer plants in connection with the TVA development will furnish fertilizer to the nation's farmers at remarkably low prices.

It is easy to associate the banker with this new program, for any development that helps farmers as well as other individuals naturally will help bankers. Most bankers are interested in the progressive development of their communities, and bankers in the South are in a position to profit from an investigation of the electrical and industrial features of the TVA development.

It is the plan of the government to generate enough electrical energy at the power sites along the Tennessee river to supply cheap electricity, not only to large metropolitan areas, but also to remote farm houses — at rates so reasonable that even the most humble farm tenant may enjoy the privileges of electricity.

The result should be a vast number of new consumers of electricity — consumers who will be prospects for all kinds of electrical appliances such as refrigerators, stoves, washing machines, radios, etc. Available statistics show that only one out of every four American homes is equipped with an electric refrigerator, and an even smaller percentage is equipped with an electric stove. The South is far below other sections of the nation in this respect, so it appears that the TVA will open a wide new market for the sale of electrical appliances.

Bankers who are looking for opportunities to lend their money will do well to investigate the possibilities of financing sales of the vast amount of appliances that surely will follow development of the TVA project. Some bankers who already have investigated this new field for loans tell me that finance companies are cashing in on it because buyers were afraid to approach their local banker "with this type of loan."

While it is not my belief that commercial banks should be turned into finance companies, it does seem to me that they can make installment loans to those whom they regard as good credit risks. Methods can be worked out by individual bankers to handle this new type of finance according to the needs of their respective communities. In cases of farmers who are entirely dependent on sales of their crops to meet

obligations, notes can be taken and made payable when the crops are harvested. Those who live in cities and towns and who work for salaries can make monthly payments.

Bankers who foresaw what the TVA would mean realized that the way to get these new loans was through cooperation of dealers in electric appliances. They sought out those who contemplated the opening of new establishments to sell electrical appliances and helped them get the capital to open. In return, these bankers received a lot of installment paper.

Beyond all this, however, the TVA will result in location of many new industrial plants in the South, and the

vast amount of cheap power should go far in diversifying agricultural interests of the South. Electrical brooders will supplant antiquated methods of poultry raising. Dairies with modern equipment will be able to operate on a profitable basis. New interests will reduce overproduction of cotton and stimulate other agricultural activities, which will bring money to farmers at all times during the year, rather than just at one time. Bankers should prepare now to meet the coming changes and secure their share of the new business. The steel towers dotting the South, and over which many miles of cables soon will be strewn, are monuments to a new era. ●●

Atlanta Renews C&S Contract In Business Revitalization

THE CITY OF ATLANTA recently announced renewal of its contract with Citizens & Southern National as agent for the administration of funds to encourage property-improvement financing in selected business-revitalization areas of Atlanta.

"We are pleased to again have the opportunity to help promote Atlanta revitalization and small-business improvements," said C&S General Vice President John McIntyre. "With this renewal, we can forge ahead with the work we began 18 months ago. Our staff is familiar with the program, and we anticipate continued success in aiding the small businesses of Atlanta."

The Business Improvement Loan Program is an innovative public-private investment partnership unique to Atlanta. In addition to funds provided from the U. S. Department of Housing and Urban Development (HUD) through Atlanta's Community Development Block Grant Program, the program also utilizes resources from the Small Business Administration, banks and S&Ls, private-development companies and business and neighborhood groups. The loans, all for new-building construction and renovations of properties, increase Atlanta's tax base and aid neighborhood revitalization. Business districts within eight Atlanta areas presently are eligible for assistance.

Three types of loans are available under the program: interest-subsidy assistance, direct loans and loan par-

ticipations. In the interest-subsidy-assistance plan, the city will prepay, at no cost to the borrower, a portion of the interest on a loan a business receives from a lending institution. The lending institution uses its normal criteria in determining whether a borrower qualifies for a loan.

A prospective borrower who cannot arrange a loan through a lending institution may qualify for a direct loan from the city, through its agent, Citizens & Southern National. Although the small business may not be able to secure the debt with conventional collateral, the city may fund property improvements directly up to a maximum of \$15,000 at a 4% rate, provided the owner can demonstrate sufficient working capital to operate and maintain his business while repaying the loan.

The third loan plan involves the U. S. Small Business Administration Section 502 Local Development Company Program. Under the SBA arrangement, long-term loans and loan guarantees are provided to profitable small businesses through a local development company composed of local citizens to help promote small-business growth in a particular geographical area. The local development company finances a minimum of 10% of the total cost of any small business building or renovation project it recommends. The balance may be loaned in total by the SBA or shared with a bank or S&L. ●●

From Farmers Home Administration:

A Loan-Guarantee Program To Develop Business And Industry in Rural Areas

LOANS traditionally have been made in rural areas to farmers and ranchers to improve or add to their operations — to buy a tractor, additional livestock or seed or to build a barn. However, since 1972, the Farmers Home Administration (FmHA) has been offering a loan-guarantee program designed to develop business and industry in rural areas.

Primary purpose of this business and industrial (B&I) loan program is to create and maintain employment and improve the economic and environmental climate in rural communities.

This credit program allows corporate customers to obtain long-term institutional financing otherwise unavailable to them. The funds can be utilized in a variety of projects, including the financing or development of plant, property and equipment, working capital, pollution control and start-up expenses.

During fiscal 1978, the FmHA made available \$1 billion for economic development in areas with populations under 50,000. For fiscal 1979, the loan-guarantee authority has been increased to \$1.1 billion.

Eligible lenders under the program include national and state banks, Federal Land banks, Production Credit associations (PCAs) and S&Ls. Other lenders, such as insurance companies, credit unions and mortgage firms, are eligible if approved by the FmHA.

These B&I loans are restricted to areas outside boundaries of cities of 50,000 or more and their immediately adjacent urbanized areas with population densities of more than 100 persons per square mile. Priority is given to applications for projects in open coun-

This credit program allows corporate customers to obtain long-term institutional financing otherwise unavailable to them.

try, rural communities and towns of 25,000 and smaller.

The FmHA's assistance is provided in the form of a loan guarantee whereby the agency contracts to reimburse a lender for a maximum of 90% of principal and interest. Applicants apply for these loans through private lenders, which are responsible for making and servicing the loans and, of course, determining that they are quality loans. In some special cases where guaranteed loans are not available, the FmHA may make and service the loans directly.

Chase Manhattan, located in New York City, one of the most urbanized cities in the world, is taking part in this program by assisting local banks in arranging B&I loans for their areas. Chase helps obtain a loan guarantee and can place the guaranteed portion of the loan with third-party investors.

Chase points out that, while creating and maintaining employment and improving the economic and environmental climate in rural communities, the FmHA program has several advantages for lenders. Only the 10% unguaranteed part of the loan is counted against a bank's lending limit, enabling lenders to make larger loans. Lenders also can earn attractive returns, including both interest income and servicing fees, on qualified FmHA loans.

The FmHA, says Chase, has provided capital to about 1,500 businesses for many projects, including a \$6.5-million loan arranged by Chase for construction of a new iron-casting foundry in Wisconsin; \$7.5 million to expand a Colorado ski resort and \$16.7 million to build a rice mill in Mississippi.

The program, according to *Business Week*, made it possible for Marine Midland Bank of New York to lend \$2.7 million to Ward La France Truck Corp., Elmira, N. Y., fire truck manufacturer; for Union Life Insurance Co., Little Rock, to lend \$8 million to Lane Processing, Inc., an integrated poultry processor in Grannis, Ark.; and for Bank of Neosho, Mo., to lend \$400,000 to Thomas H. McClintock to move his IGA market to a bigger and better location.

Business Week also pointed out that the 90% guaranteed part of B&I loans is readily salable to institutional investors through Merrill Lynch, Pierce, Fenner & Smith, E. F. Hutton and other brokers. The publication added that Gordon Watson, a Merrill Lynch vice president, sees "a big growth potential" in the program and says his firm is "aggressively seeking" such loans.

Under the program, the FmHA ordinarily requires a local lender to be the lead lender — the one that initiates the loan application and is responsible for servicing the loan. A local lender is defined as one in or near the community where the project is or will be located and that routinely provides credit to that community. The lender contracts with the FmHA to collect principal and interest payments on the

entire loan (guaranteed and non-guaranteed) and services the loan. Such servicing includes responsibility for obtaining adequate collateral and insurance protection. The lender is mortgagee and/or secured party of record, with underlying collateral to be shared pro rata.

The lender may sell, assign or participate in all or any portion of the guaranteed loan. The FmHA provides separate loan-note guarantees for sale of the guaranteed portion to third-party investors ("holders"). For the unguaranteed portion, the lender may participate out the obligation in any manner it chooses. The lender is responsible for distribution of principal and interest to holders, assignees or participants, as appropriate, and may deduct a servicing fee agreed on in advance.

If a borrower cannot make loan payments, the B&I program provides for an efficient method for recovery of principal plus accrued interest. However, because the program's objective is to develop business and industry in rural communities, the FmHA encourages lenders to work with their borrowers to resolve possible financial problems.

B&I loans can be guaranteed in the 50 states, Puerto Rico and the Virgin Islands. Maximum maturities for such loans may be up to 30 years on land, buildings and permanent fixtures; up to 15 years on machinery and equipment (depending on useful life of the equipment); up to seven years for

working capital.

Interest rates are determined between the lender and borrower. The FmHA does not set a maximum rate. Rates can be fixed, variable or multiple. A variable rate can be changed no more than quarterly, with no floor or ceiling permitted.

The FmHA requires that interest be paid at least annually and normally expects monthly payments of principal and interest, except for seasonal enterprises.

The guarantee constitutes an obligation supported by the full faith and credit of the U. S. government under Section VII of the Consolidated Farm and Rural Development Act. The 10% non-guaranteed portion of the financing must be serviced on the same basis as the 90% guaranteed portion, but the interest rate and lender on the 10% portion don't have to be the same as the 90% guaranteed portion, thereby providing flexibility in compensating for varying levels of risk.

Borrowers and lenders must comply with federal requirements relating to equal-employment opportunity, historic-site preservation, flood and mud-slide protection, environmental impact, Clean Air and Water Act, Architectural Barriers Act and nondiscrimination as to race, color, creed, sex, marital status or national origin.

As with any new program, there has been initial lender reluctance to participate, say Anthony G. Chase and Thomas C. Evans, attorneys with a law firm that has been actively involved in

assembling loan packages to be guaranteed by the FmHA. As they point out in *Source Guide for Borrowing Capital* (published by Capital Publishing Corp.), "The need for recognizing the benefits of the B&I loan program is particularly acute and relevant today, as the nation witnesses an ever-increasing trend of businesses to relocate or establish new facilities in areas which are, by FmHA standards, considered rural. Because costs of business expansion are growing, and since traditional rural-area credit sources often cannot support multimillion-dollar financings, all business borrowers and financial intermediaries should focus attention on this program." ●●

Noontime Culture:

Free Symphonies Sponsored By Houston National

The 1979 Sidewalk Symphony Series is being sponsored for the eighth year by Houston National. The eight concerts, which are held at noon on Thursdays, are conducted outside the Tenneco Building Plaza so listeners can bring their lunches and enjoy the music while eating.

The free concerts feature music for all tastes, from country music to jazz and classical. For the second year, C&W musician Mickey Gilley and the Red Rose Express will headline the series.

In event of rain, the concerts are held in the Milam Building lobby.

Industrial-Development Efforts Pay Off for \$64-Million Bank

IT'S NOT UNUSUAL for large city banks to have departments dedicated to bringing new industries into their cities. However, it is news when a \$64-million bank in a community of about 7,800 sets up such a department and then proceeds to get results with it. The bank is First National, located in Russellville, Ala.

As of this writing, the department has succeeded in attracting two new industries to Russellville. Last October, the Celotex Roofing Products Division of the Jim Walter Corp. announced plans to construct a \$12-million plant to produce fiber glass roofing mats. The plant initially will employ 65 to 75 persons and have an annual payroll in excess of \$1 million. This announcement by the Fortune 500 corporation is said to be the largest

industrial acquisition for Alabama in 1978. The plant is scheduled to begin operations next March.

According to David M. Walters, assistant vice president, industrial development, at First National, this \$12-million investment is only the beginning of a three-phase operation planned by Celotex. Plans call for additional construction over a three-year period, with a total investment of approximately \$60 million and employment of 250 persons.

This past June, Clark Pulley Corp., a subsidiary of Clark Consolidated Industries, Inc., announced plans to build a \$2.5-million facility in Russellville to produce steel V-belt pulleys. The firm will employ about 126 persons at full production, with an annual payroll of more than \$1 million.

Since the industrial development department was set up in February, 1978, 14 industrial prospects personally have visited Russellville. About 60 industries, from California to Canada, have requested information on Russellville and Franklin County, of which Russellville is the county seat.

"Our industrial development department," says Mr. Walters, "is dedicated in our efforts to create new and better-paying jobs for our citizens in the community. The attraction of solid, progressive industries to our area benefits everyone."

Mr. Walters works full-time assisting county and city governments in Franklin County in soliciting new industry and preparing government-grant applications. ●●

Liquidity, Profitability Provided

By SBA Loan-Guarantee Program

SINCE Capital Bank does extensive correspondent-banking business with banks in the rural areas of Louisiana, one of our concerns has been how to help those banks promote commerce and industry in their towns and, in turn, create jobs. Money is needed to promote commerce and industry, but it has been extremely difficult, especially in rural areas, to interest large investors in putting their money in small towns with which they are not familiar.

We have found that one of the most viable ways to accomplish this goal has been through use of the Small Business Administration's (SBA) guaranteed-loan program. Approximately seven years ago, Capital Bank made a commitment to itself and its customers to understand and fully utilize the SBA guaranteed-loan program. Since that time, we have made approximately 300 loans totaling \$39,000,000. These loans helped create or sustain 3,959 jobs.

As an example of projects we were able to fund, we financed nursing homes in the Louisiana towns of Simmesport, Marksville and Kinder and presently are working on one in Clinton. We were able to finance a boat-building facility in Simmesport and a mobile home manufacturing company in Clinton. These are just a few of the projects we have been able to assist customers in, projects that created jobs in these towns.

Capital Bank offers its correspondent banks a program whereby — on the strength of their recommendation of a customer and project — we

This is Bayou Chateau Nursing Center in Simmesport, La., which was financed by Capital Bank, Baton Rouge, under SBA loan-guarantee program. Through this program, Capital Bank works with its correspondent banks in rural communities to promote commerce and industry in their areas and, in turn, create jobs there.

By **ARTHUR J. MITCHELL**
Senior Vice President
Capital Bank
& Trust Co.
Baton Rouge

are able to comake an SBA loan in which the unguaranteed portion is shared between the local bank and Capital Bank. Capital Bank does the processing, funding and servicing. This means that the local bank can make available to its customers loans up to \$500,000 through the SBA guaranteed-loan program, while investing only \$25,000 of its funds in the loan.

Capital Bank then is able to make the loan and make use of the secondary market, if necessary, to recover \$450,000 from various investors who are eager to invest in this type loan because their investments are guaranteed completely by the U. S. government.

This article would not be complete without addressing some of the myths about the SBA many people have heard, but which we have found to be untrue. Possibly the greatest of these is

that the SBA guaranteed-loan is complicated and time consuming, and there is much government red tape involved in obtaining the loan. We have found that the loan is no more complicated than any other commercial loan because most of the information required is the same information a prudent lender would require in underwriting any loan.

By using this guaranteed-loan program, we are able to eliminate the two main problems connected with long-term, small commercial loans. The first is profitability; the second, liquidity. Both these factors can be handled successfully through use of guaranteed loans and the ever-growing secondary market.

First, as to profitability, we are able to sell off the guaranteed portion of a loan, paying an investor a rate that usually is from ½% to 1% less than the note interest rate. This "servicing fee," coupled with the full interest rate collected on the 10% retained portion of the loan, gives us a net return that exceeds all other loans and investments at our bank.

As to liquidity, the loans virtually are self funding. The 90% guaranteed
(Continued on page 40)



Community Involvement

'Good-Citizen' Ideas Banks Use To Help Improve Their Cities

Prizes Times Four:

Women's Club Art Show Brings Esthetics to Bank

Plaques and \$100 cash prizes were awarded first-place winners in four categories in the 14th Annual Woman's Club Art Show competition held in the main bank lobby of Fort Worth National. The show was sponsored by the bank's women's special services department in conjunction with the art department of the Women's Club.

The awards were presented at a Sunday afternoon ceremony in the bank lobby, where first-place winners received \$100 in oil painting, watercolor, pastel and drawing categories. The Women's Club also received \$100 in honor of each first-place winner. Visitors to the show could vote for their favorite artwork for the "public's choice award." By voting, they automatically registered for a special drawing that could win them an original by a local artist.

Roots, Too:

Bank Memorabilia Compiled Into 100-Page History Book

A 100-page banking history book with 150 photos, including 26 in color, has been written by a former Victoria Bank (Tex.) officer and published in time to coincide with the bank's 104th anniversary.

A Century of Service — The Concise History of Victoria Bank & Trust Company, eight years in the researching, traces the bank's beginning in 1849 to its present status as a \$300-million lead bank of a \$400-million HC.

The book was written by Laurence S. Johnson, a past Texas banking com-

missioner, retired banking officer and active Victoria Bank consultant. He became interested in the bank's roots when he was involved in an analysis and classification project and found files that dated back to the turn of the century. As he sifted through book-keeping records, checks, advertisements and other early memorabilia, it occurred to him there was no chronological history of the bank.

"This is really a story of people," he said, "from Abraham Levi, the founder, through all the directors, officers, employees and customers. This is

the story of their impact on the south Texas crossroads area."

The book was introduced at a special ceremony in April. Local authors, historians, bankers and dignitaries joined the author in the bank lobby, where he autographed copies of the book. In addition to limited quantities of the regular cover edition, there was a special custom leather cover copy, which could be personalized.

Win or Lose, but Try:

Women Urged to Strive At Bank Conference

Billie Jean King, tennis professional and publisher, told those attending Oklahoma's first Women's Opportunities Conference that success comes when an individual begins thinking and acting in terms of capabilities, not limitations.

Sponsored by Bank of Oklahoma, Tulsa, the conference was designed to give women advice on utilizing their abilities to the maximum.

And Miss King is a proponent of that gospel.

"When a new opportunity comes up, take it," she said. "You may lose but you will also gain. If you want something, you have to do it and don't expect anyone to do it for you.

"I am a big believer in self-interest, in going out and doing something. You have to think 'what am I capable of?' If you fail, it's not failure. *Failure* is not making the effort."

Of balancing family and career, she said, "Children can share your career with you and it can make you more broad-minded and more independent. Kids cannot and should not cause guilt. Besides, they probably like not having you around all the time."

Miss King says that her success in tennis stems from this philosophy. She

Lunch With Flowers

Daffodils accent the hot-lunch delivery for the Squirrel Hill Meals-on-Wheels program in southwestern Pennsylvania. Equibank, Pittsburgh, distributed 4,100 flowers to home-bound elderly residents after obtaining the flowers from the Cancer Society to support its annual fund drive.



James R. Balkey (l.), c.p./community offices, carries the daffodils that will accompany the hot lunch carried by Meals-on-Wheels volunteer Beryl Callahan (c.). Visiting nurse Sherri Ziga, an American Cancer Society "ambassador of hope," also helps with the delivery.

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.

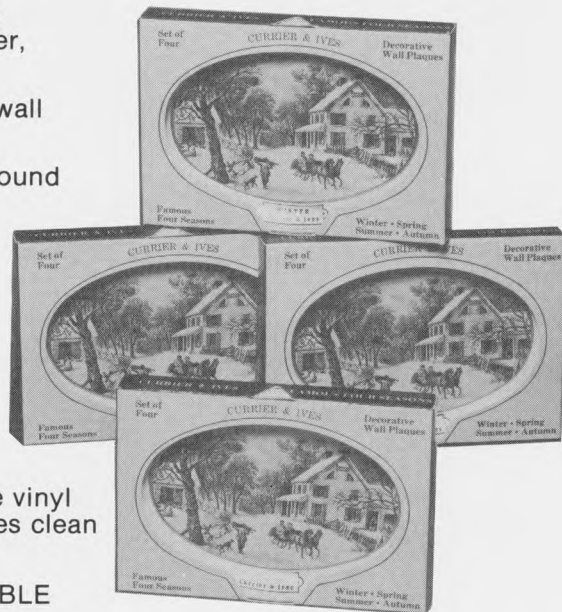
FOUR TABS for hanging included.

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

DISPLAYS, AD REPOS, & GLOSSIES AVAILABLE

WRITE OR CALL BOB WAITE FOR SAMPLES
FABCRAFT, INC. FRENCHTOWN, N.J. 08825 201/996-2113

ENCLOSE \$2 TO COVER POSTAGE & HANDLING



has won 73 tennis championships, including six singles' titles at Wimbledon. Also, she was the first woman athlete in any sport to earn more than \$100,000 in a single season.

In addition to Miss King's talk, which kicked off the conference, a speech on "Goal Setting" was given by Norma Selvidge, a nationally known motivational consultant.

Conference attendees heard from Oklahoma City's Mayor Patience Latting, who led a seminar on "Women in the Political Arena." Mrs. Latting is one of a few female mayors in cities with more than 500,000 population.

Several Bank of Oklahoma officers conducted seminars. Trust department officers Billie Coffee, Doug Goss and Fran Carey were in a panel discussion on "Taking Your Financial Picture." Ed Bogle, marketing director, conducted a "Women's Credit Opportunities" seminar.

A seminar on "Volunteerism: A Fulltime Profession" was conducted by Patty Eaton, chairman of the Metropolitan Tulsa Transit Authority and wife of the bank's chairman, Leonard J. Eaton Jr.

Other seminar topics were resumé writing, starting a business, changing careers in midstream, reentering the job market, time management and nontraditional jobs. More than 1,700 persons attended.

The conference was produced by Marcon Productions, Inc., and coordinated through the bank by Lynne Somers, public relations officer.

Cash-Prize Opportunity:

State Teachers Can Seek Economic Education Awards

The Young Bank Officers of Kansas are sponsoring the Kansas Economic Education Awards Program, which gives elementary and secondary school teachers throughout the state an opportunity to be recognized for excellence in providing economic education in the classroom.

A cash award of \$350 will be made to teachers in each of six regions for entries chosen as the best economic education experiences for students. An additional grand prize of \$500 will be awarded to the best of the six entries.

Purposes of the YBOK awards program are to stimulate improvements in economic education teaching practices, to encourage teachers to develop descriptions of their economic education training experiences and to share techniques and outcomes of effective teaching with other teachers.

Good-Neighbor Policy:

Track Athletes Perform In Bank-Sponsored Meet

When it learned there were few opportunities for youngsters to perform in track meets for their parents, friends and peers, Liberty Bank, New Orleans, held a city-wide competition as part of its good-neighbor policy.

About 75% of the schools contacted agreed to participate, some coaches even offering to accept committee appointments as organizers or positions as officials during the meet. About 400 students signed up for the day-long event, which was held in Gormley Stadium. Attendance was estimated at about 5,000.

Admission was free and open to the public, but to raise money for the schools' athletic programs, the bank gave blocks of tickets to each school and redeemed each ticket used for 25¢.

To promote the event, the bank made up posters, sent out statement stuffers and took out advertising on radio, TV and newspapers one week in

advance. As an entertainment and publicity feature, the bank staged a celebrity race at the end of the morning session, and it included participation by local sports figures, city councilmen and radio and TV personalities.

Liberty presented 500 T-shirts to participants, designed with the track-meet emblem, and gave caps and windbreakers to the meet officials and coaches. In addition, trophies and medals were given to the winners.

Free Helpful Hints to Save Time, Energy and Money

Chicago City Bank and the Peoples Gas Light and Coke Co. cooperated in displaying a traveling consumer affairs center in the bank lobby as part of the bank's community-service program.



Wallace Weckler (l.), Peoples Gas Light, Chicago, energy utilization representative, hands out free consumer-information literature at traveling consumer affairs center in Chicago City Bank lobby.

Exhibit visitors could view films and pick up free pamphlets on consumer-interest topics, such as energy conservation; selection, use and care of appliances; home management; residential safety; and nutrition and meal planning.

Spring Decorating:

Bank Donates 20,000 Trees To Spruce Up Community

To beautify its community, First National, Little Rock, purchased 20,000 dogwood seedlings, which were offered free, one per person, at its branch offices. Also, a seedling was given to each of the 2,000 people who work in the bank's downtown building.

Some 100 trees were given to the Little Rock Municipal Airport and were added to their landscaping project. Another 100 trees were planted on 39 public school grounds.

W. Neill Hart, bank executive vice

Bring all the family! Admission Free!

Citywide Classic Competition, starring over 400 high school athletes, the finest in field and track events. Sponsored as a community service by Liberty Bank to encourage excellence in track sports among teenagers and to salute their achievements.

Trials—9 A.M.-11:45 A.M.
Special Celebrity Race—11:45 A.M.
Finals—1:30 P.M.-3:15 P.M.

**EASTER SATURDAY,
APRIL 14, 1979**

TAD GORMLEY STADIUM
City Park
Sponsored by
Liberty Bank
AND TRUST CO.
2 CONVENIENT LOCATIONS TO SERVE YOU
3839 TULANE AVENUE, NEW ORLEANS 70119
3002 DENTILLY BLVD., NEW ORLEANS 70122
PHONE 488-5831
Member FDIC

1979 Co-Sponsor—Booker T. Washington High School



**now-
a 5-character
message center!
Words change or
travel. With time
and temperature.**

Now even the smaller financial institutions can afford a message center display for advertising or public service. Daktronics Venus 500 has 32 columns of lamps with seven 15-watt bulbs per column for displaying 18" high characters. Flash on as many as 16 words of five letters, or less, plus time and temperature or run a traveling message of up to 16 words of up to 16 characters each. (The word "Congratulations" is shown traveling in the photo.) Plus time and temperature

Messages are programmed from a desktop keyboard console that lets you see the message on the screen before it appears at the message center.

At far less investment than our standard 10-character display.



Write for literature and prices —
DAKTRONICS, INC.
Box 229-L Brookings, SD 57006
Telephone 605/692-6145

32



Planting First Nat'l of Little Rock's newest deposits at Little Rock's municipal airport are (from l.) James Rodgers, asst. airport mgr.; Robert Crisp, airport manager; Don Arick, ch. City Beautiful Commission; W. Neill Hart Jr., exec. v.p., First Nat'l, Little Rock, and Julius Breckling, city parks director.

president, said, "We are excited at the chance to help beautify our city. We appreciate the opportunity to support projects that encourage the planting of trees for landscaping and/or timber especially since our graphic identification is a MoneyTree."

The bank, in cooperation with the City Beautiful Commission, urged "every citizen to assume responsibility for the improvement, preservation and beautification of the community."

Duke 'Fights' Cancer:

John Wayne Posters for Sale At Bank for Local Society

Special edition John Wayne posters being sold by the American Cancer Society's Hamilton County (Tenn.) unit are available from 22 offices of American National, Chattanooga.

The posters, which can be obtained for a \$5 donation to the cancer society, are reproductions of the artwork used to publicize John Wayne's film, "Sands of Iwo Jima." The fund drive ties in with the film's showing at a local theater.

Proceeds of the sale will be used by



Local theater manager (l.) delivers money-making John Wayne posters to DeArnold R. Barnette, s.v.p., American Nat'l, Chattanooga. Bank is selling posters in its 22 offices for benefit of local American Cancer Society unit.

the local cancer society unit.

DeArnold R. Barnette, senior vice president, American National, says, "The sale promises to raise much money for the American Cancer Society because the posters are reproductions of original art and they are in great demand."

Mr. Barnette is chairman of the local cancer society's newly formed independent business division.

Heart to Heart:

Employees Learn CRT To Save Attack Victims

Employees of Central Federal Savings, Long Beach, N. Y., have undergone cardiopulmonary resuscitation (CRT) training over a three-week period to enable them to render emergency assistance to potential heart-attack victims.

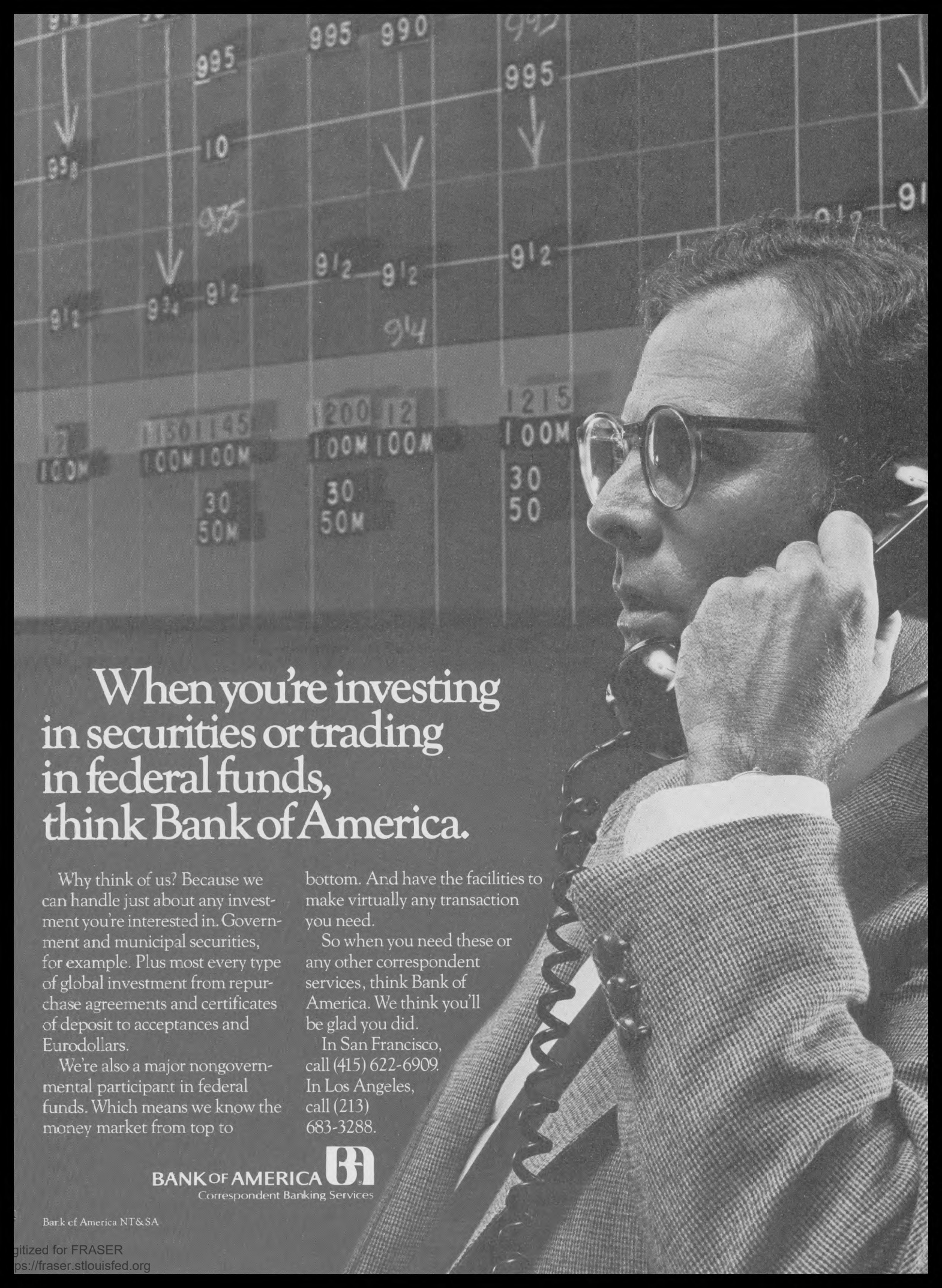
The sessions were attended by a majority of banking-floor personnel and those from other departments, such as mortgages and consumer loans. The Red Cross conducted the program, which lasted from 7 to 10 p.m.



Employees of Central Federal Savings, Long Beach, N. Y., are shown at CRT training session. Each person who completed course received \$25 savings bond.

As attendance incentives, the association paid for each participant's dinner and gave each person who completed the course a \$25 bond. Everyone passed the course, which included lectures, reading assignments and practice resuscitation on a Red Cross dummy.

"The Red Cross is training so many volunteers throughout our branch system that there always will be an experienced employee ready to offer emergency aid," said Franklin H. Ornstein, president and CEO.



When you're investing in securities or trading in federal funds, think Bank of America.

Why think of us? Because we can handle just about any investment you're interested in. Government and municipal securities, for example. Plus most every type of global investment from repurchase agreements and certificates of deposit to acceptances and Eurodollars.

We're also a major nongovernmental participant in federal funds. Which means we know the money market from top to

bottom. And have the facilities to make virtually any transaction you need.

So when you need these or any other correspondent services, think Bank of America. We think you'll be glad you did.

In San Francisco, call (415) 622-6909.

In Los Angeles, call (213) 683-3288.

BANK OF AMERICA 
Correspondent Banking Services

Bank of America NT&SA



Tipton County Bank's Court Square Branch is located in uptown Covington and was bank's Main Office for 60 years prior to construction of new office.

Main Office of Tipton County Bank is located in this four-year-old building on north side of Covington, Tenn.



Eight-Bank Tennessee Chain Serves Agribusiness Well

By **JIM FABIAN**
Contributing Editor

IT'S LONG been an axiom of banking that the institution that serves its community best prospers most. Proof of this statement can be found in Covington, Tenn., home of Tipton County Bank. The bank reached the \$75-million-asset level last year, about \$20 million of which has gone on the books in just the last two years!

Tipton County Bank enjoys an advantage over most other banks in Tennessee — it's part of a system of eight institutions that serve the western portion of the state. The system, a forerunner of the holding company concept, was formed in 1913 in an effort to take advantage of the cash flow generated over the crop-growing season by the diversity of crops harvested in the area served by the eight banks.

Banks in the system are located in Alamo, Henning, Ridgely, Dresden, Humboldt and Stanton. They are all known as "branches" of Tipton County Bank, which has two offices in Covington. Each branch bears the name "Peoples Bank."

Crops in the Humboldt area include strawberries, tomatoes, yams, tobacco and apples. Those in the Dresden area include hay, dairy products, wheat and peas. The Ridgely area harvests soy-

beans and cotton; Henning is well known for its beef cattle, Alamo for hogs, Stanton for lumber and Covington for beans and cotton.

Because of the diversity of crops,



Robert M. Turner (seated), pres., Tipton County Bank, Covington, Tenn., oversees eight-bank group of institutions serving western part of state. **Joe R. Swaim**, 1st v.p., supervises branch system that was formed through consolidation in 1913 as forerunner of HC concept.

each branch has an advisory committee that assists policymakers at the Main Office in Covington to formulate area-wide policy. The advisory committees work through the branch managers, who report to Joe R. Swaim, first vice president, Tipton County Bank, who is in charge of branch operations.

Mr. Swaim is the right-hand man to Tipton County Bank President Robert M. Turner, who oversees the entire operation. Both men are young, as is the entire officer staff of Tipton County Bank.

Mr. Turner attributes the bank's growth to its policy of assisting its customers in every possible way — not only with financing.

In the agricultural area, Tipton County Bank and its branches provide farmers with computerized book-keeping services that enable customers to pinpoint their costs. Bank personnel visit farm customers frequently to encourage farmers to try new procedures and even try different crops.

"Every one of our services is designed to meet local needs," Mr. Turner says. He's especially proud of the service the banks give to future farmers.

These include complete financing of

What's in a name?



Jim Bugar, Vice President, The First; Bruce Benbrook, Vice President, The Stock Exchange; Temple Benbrook, President, The Stock Exchange; Tom Sherman, Asst. Vice President, The First.

If it's Benbrook, it's outstanding banking.

Some names are built overnight and last about as long. Not so the Benbrook's. Temple and Bruce represent the second and third generation of their family to have guided the Stock Exchange Bank in Woodward. And with this continuity has come uncommon dedication to the fulfillment of a longstanding family tradition of banking excellence.

The First has been pleased to have

been a part of this tradition for over 50 years. Since the 1920s we've provided correspondent services whose scope and depth have helped both the bank and its customers grow and prosper.

It's been a most satisfying relationship. One which will continue, we trust, as long as we perform to the exacting standards the Benbrooks have set for themselves. And that's precisely what we intend to continue doing.



OVER \$100,000,000 CAPITAL STRUCTURE
MEMBER F.D.I.C. / A SUBSIDIARY OF
FIRST OKLAHOMA BANCORPORATION, INC.

THE FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY

MID-CONTINENT BANKER for August, 1979

35

a future farmer's livestock project, from purchasing stock to transporting it to market, to purchasing the animals for slaughter and arranging for the meat to be sold through local outlets. The banks charge no interest on such loans, and repayment is made when the meat is sold.

The banks also maintain project records for future farmers enrolled in agriculture classes at high schools.

"Every FFA boy and girl we've helped has ended up as a customer of the bank," says Mr. Turner.

When these young people reach college age, the bank offers them student loans. "We haven't had a loss in student loans for ten years," Mr. Turner says. The bank's policy limits student loans to bank customers with checking accounts. Tipton County Bank is the only bank in Covington offering student loans, Mr. Turner says.

Other bank services to farmers include one that enables them to acquire new barns on their property. The bank has an arrangement with a local educational institution that supplies students who build farm buildings as class projects. A farmer supplies the materials for a building, financed by Tipton County Bank, and the students go to

the farmer's site and construct the building. The workers are transported to the farm sites in a van financed by the bank.

The bank has loaned prize bulls to farm customers in the past at no cost to enable these farmers to upgrade their herds. Bank personnel also help farmers get their livestock to shows in Nashville, and the bank sponsors an annual livestock show in Covington for which it donates all prize money and pays most administrative costs.

Other bank services include free checking, with no restrictions, and seminars for selected customers. These quarterly seminars have covered topics such as trusts, estate planning, commodities and the stock market.

All bank officers are active in local organizations. Mr. Turner served as head of the Covington Chamber of Commerce in 1977.

The bank even offers an unusual service to other banks in its area. It has arranged for AIB classes to be held in its boardroom for employees of any bank in the area. The most recent class enrolled about 15 from Tipton County Bank and several from competing banks.

Tipton County Bank pays the entire

cost of specialized education for its employees. It doesn't require employees to have college degrees, but it encourages them to attend educational institutions for classes that would be beneficial to their professions.

Tipton County Bank and its numerous branches have been providing complete financial services for customers for a long time. During this period, the banks have grown along with their customers and their communities. And that growth has shown up prominently on the bottom line of the banks' annual reports! ••

Regan to Succeed Tennant As Credit Systems President

ST. LOUIS — John G. Regan, executive vice president, Credit Systems Inc., has been named president-elect to succeed Richard P. Tennant, who will serve as a special adviser to the company until at least 1985. Mr. Tennant requested the change because he wanted to devote more time to personal and business interests.



REGAN



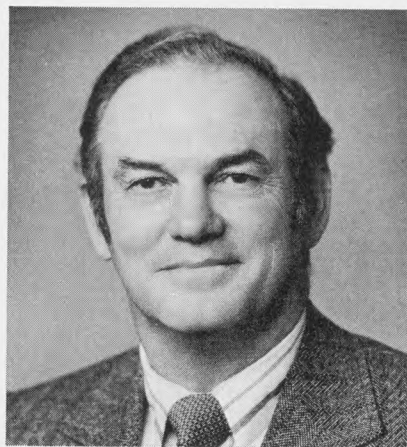
TENNANT

The pending management change will be effective in September at the company's annual meeting.

"Dick Tennant has guided Credit Systems Inc., since its inception in 1967 as the operating center for Bankmark, predecessor of Master Charge, and the system has grown from a small regional operating center into one of the most progressive and respected data processing organizations in the entire credit card industry," said William G. Travis, CSI chairman and vice president, First National, St. Louis.

As a vice president of Mercantile Trust, St. Louis, Mr. Regan — along with Mr. Tennant and other area bankers — founded the CSI system. Mr. Regan joined the CSI staff as senior vice president in 1974 and was elected executive vice president in 1976.

Succeeding Mr. Regan as executive vice president will be James P. Dowd, senior vice president, who will continue as the company's treasurer.



**Let this man help
your bank profit.**

A lot of bankers do.

Call Jimmy Gaskell (205/832-8219) President
of First Alabama Bank of Montgomery, N.A.

First Alabama Bank
of Montgomery, N.A.

Regulation Q

(Continued from page 14)

the beginning of the phase-out period for interest-rate controls. The half-percent differential on one-two year certificates should be eliminated on enactment of the law. Proposed reserve requirements on NOW accounts had what bankers viewed as an unnecessarily broad range, from 3% to 22%. Bankers have suggested that the upper limit be lowered to 12% and that the reserve ratio for these accounts be set at or near the bottom of that range. It also was suggested that the present two-tiered structure of reserves, which places a substantially lower reserve requirement on interest-bearing transaction accounts versus those that do not, be preserved.

Hearings in June before the Subcommittee on Financial Institutions of the Senate Banking Committee brought representatives of the financial community and regulatory agencies together to register their views on S. 1347. Both the ABA and the National Savings and Loan League endorsed the major portions of the bill, with the ABA calling for changes that have been mentioned in this report. The bill was opposed by the U. S. League of Savings Associations, opting instead for a greater variety of savings certificates paying market-tied interest rates. Fed Governor J. Charles Partee and other regulators sought a more flexible handle on slowing or speeding up the deposit rate ceiling phaseout to better synchronize these changes with the state of the economy. The bill as presently drafted would see all rate limits eliminated by January 1, 1990, and contains a provision to postpone one of the scheduled one-quarter percent increases over the 1982-89 period. The postponed increment would have to be "made up," however, within 12 months. Federal Home Loan Bank Board member Anita Miller cited the need for a flexible interpretation of this schedule for the rising ceilings to prevent an uneven situation in the marketplace where some banks and larger S&Ls could offer unrealistically high rates to the detriment of other institutions less able to compete.

The "Depository Institution Deregulation Act" addresses many issues comprehensively that, no doubt, will reflect the different competitive environment that banks and thrifts will face

in the 1980s. One aspect where it will help will be in minimizing the growing market share of non-depository institutions offering unsecured notes, money-market mutual funds and other new devices that have sprouted to answer the need for savings mechanisms that can keep up better with inflation.

As a result of this strengthening of the ability of depository institutions to compete in a "Q-less world," non-depository institutions may have much of the wind removed from their sails; the average consumer may be given an improved banking vehicle with which

to build his savings, and a valuable new weapon may be created to be of immediate use in fighting inflation. ••

• **Laventhol & Horwath.** The CPA firm has published *Accounting for Leases*, which covers amendments to and interpretations of the original Statement No. 13 by the Financial Accounting Standards Board. The booklet is written in question-and-answer form and may be of interest to those in real estate. Write: Laventhol & Horwath, 1845 Walnut Street, Philadelphia, PA 19103.

Join us in New Orleans
this Fall for the
**64th Annual
Convention**
of the
Bank Marketing Association
and find the answers to



**The
Earnings
Equation.**

It's a working and
learning convention
with a
bottom-line focus.

**September 23-26, 1979
New Orleans Hilton**

For program information and registration forms, call or write the
Convention Coordinator, Bank Marketing Association, 309
West Washington Street, Chicago, Illinois 60606, Telephone:
312/782-1442.



BANK MARKETING ASSOCIATION

An Agribusiness Must:

Know How to Sell Farm Products As Well as How to Grow Them

FARMERS have long been developing as expert growers, but being an expert seller has become another agribusiness imperative. For bankers, the knowledgeable farmer is his best investment insurance. Sponsorship of various programs devised to aid farmers in solving growing problems has long been assumed by many banking institutions for this reason. The latest necessity in helping agribusiness customers stay financially sound is exposure to education in marketing that

By **CAROLE HOLLANDER**
Editorial Assistant

will enable them to make the best possible use of selling options.

The Gateway Banks, Hernando, Miss., cosponsored — along with the Farmers Grain and Livestock Corp. (FGL), a marketing advisory firm — a full-day seminar on agricultural hedging and other marketing options last January. The bank used the Best Western Motel in Hernando as the site for its seminar. Farmers of larger farms ranging in size from 300 to 3,000 acres were invited by letter and in person to attend the presentation. Approximately 70 persons participated in the seminar, including local farm implement dealers. Ross Robison, agricultural specialist at Gateway, says the dealers were invited because they have an effect on the opinions of farmers. Mr. Robison hoped for them to get a background in marketing that will enable them to talk intelligently with farmers. "We want our farmers to understand and be surrounded by an understanding of the agricultural market," says Mr. Robison.

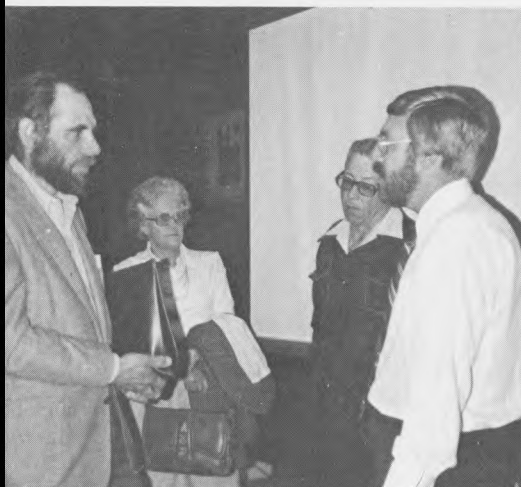
While some banks are requiring hedging and forward contracting, Mr. Robison says Gateway is not currently assuming this posture, but rather, promoting marketing education. "We don't tell our farmers what they should do, but we are trying hard to get them

to the point where they are familiar with the market and able to make their decisions based on information. The situation for farmers today is such that a little insurance early in the production cycle is important."

Seminars offered by FGL have been made available to bankers and others since last winter with FGL giving bankers who use the seminar help in promoting the event. Letters of invitation for banks to send to selected customers, ad copy for use in local papers and courtesy coupons worth \$10 toward the \$65 price of the seminar are issued to sponsoring banks. Tuition costs covers luncheon, coffee and all study materials and workbooks.

The seminar depicts the futures market as a tool in profitable marketing. It explains futures beginning with how commodity exchanges operate and ending with how to interpret futures prices and options as they relate to farm prices. Hedging grain and livestock is explained and contrasts are made between the effectiveness of a hedge vs. other contract options. Practical problems that involve hedging, basis and forward contracting, carrying charges for storage and interest, margin accounts and margin calls are discussed using information given during the day's presentation to find solutions. Current FGL market opinion is offered on corn, soybeans, wheat, cattle, hogs and other farm commodities.

The seminar develops from the simple to the sophisticated. Farmers who attended the seminar sponsored by Gateway were pleased with the program. Mr. Robison believes FGL representatives gave farmers a good explanation of marketing terms they may not have had before. Farmers in attendance who had been involved in complex marketing techniques in the past found the seminar interesting as



These two photos were taken at one of the seminars on agricultural hedging sponsored by Farmers grain & Livestock Corp., West Des Moines, Ia. Firm makes such seminars available to bankers and helps with promotion.

Introducing a better way to protect your trust department against errors and omissions.



In today's complex legal environment, it isn't unusual for a trust department to become a defendant.

To protect the institution itself, MGIC is making available an important extension to its D&O insurance. Our Errors and Omissions endorsement will insure the financial institution for its trust department operations.

It provides protection against claims of wrongful acts which may arise as a result of the decisions made in the day to day management of a trust account.

And it even provides coverage for acts performed before the policy was written, providing the claim is made while the Errors

and Omissions endorsement is in effect.

This innovative combination D&O/E&O coverage is another reason why MGIC is the leader in liability protection for financial institutions.

MGIC Indemnity Corporation
P.O. Box 488
Milwaukee, Wisconsin 53201

MGIC

Please send me more information on D&O/E&O protection.

Name _____

Title _____

Company _____

Address _____

City/State _____ Zip _____

Availability subject to approval of state insurance departments. MCB

well, however, making good use of free time to approach the speakers to compare marketing strategies. Mr. Robison remarks, "The seminar covered the basics so farmers will understand what they read and what they hear. We heartily endorse this kind of education, and our farmers who attended were satisfied, feeling that what they received was well worth the cost."

The farmer is compelled to be an effective product merchandiser who must operate in a complex network of options, and he must be prepared with the best information available if he is to succeed financially. Mr. Robison concludes, "Farmers must become more fluent in marketing knowledge. We emphasize expertise. We make available all kinds of research on chemicals, fertilization, timing, etc. Farmers also are going to have to develop expertise in marketing." ●●

SBA Loan Guarantee

(Continued from page 27)

portion is sold in the secondary market, and — in reviewing all our guaranteed loans — we found that loan customers had average balances of 25% of total loans outstanding. The combination of the sale of the guaranteed portion, plus customer balances, has the effect of increasing our cash supply each time we make a loan. In other words, we actually end up with more money in the bank each time we make a loan, thereby giving us a virtually unlimited money source for making SBA loans. I don't know of any other program that can do this for a bank.

Other reasons a bank should make use of this guaranteed program are:

1. It enables a bank, especially a small bank, to make large loans without exceeding its legal limit because only the unguaranteed portion is counted as a loan. In other words, a bank can make a \$500,000 SBA-guaranteed loan, and it would be treated as a \$50,000 loan.

2. In many cases, banks may use the guaranteed portions of their loans to secure public-fund deposits, thereby enabling them to dispose of low-yield bonds and increase their profits.

3. It gives small rural banks an opportunity to bring outside funds into their communities, funds otherwise not available.

A recently activated pilot program has made the SBA loan program even better than it was. The SBA has introduced a bank-certification program (BCP), which enables those banks that have been certified to perform most of the credit-analysis functions, with the SBA giving those loan applications priority. The SBA devotes its time primarily to reviewing credit analyses, thereby giving extremely fast service on processing of loans. Under this program, the SBA is committed to give an answer on a loan application within three business days. We have found that in actual practice, if we mail an application Monday morning, we receive the loan authorization and commitment by Friday. This is a tremendous innovation by the SBA, and it has enabled us to give the SBA customer the type service he needs in receiving loan approval.

After the pilot BCP program is completed later this year, other banks will be permitted to apply for certification, which would be granted on past experience, volume of loans, etc.

By using the SBA guaranteed-loan program, we substantially improve our country's employment picture. It also is important to recognize that this increase in jobs is being accomplished with virtually no cost to taxpayers.

Our bank's experience has shown that on those loans that have ended in defaults, we were able to recover — from liquidation of collateral — the bulk of the monies loaned. Amounts that were net losses on all loans, after liquidation of collateral, were covered almost entirely by the 1% guarantee fees paid on the balance of the SBA loans.

In conclusion, I would recommend to any bank not involved with the SBA to take a hard look at this program since it offers an excellent opportunity to expand a bank's lending activities and to serve its customers. We hope our excellent experience with the SBA program as outlined above will interest more lenders to look favorably on its use — not only for the benefit their own banks receive, but also for the favorable impact it has on developing commerce and stimulating employment. The SBA guaranteed loan is excellent as it is today and, as evidenced by the bank certification program, the SBA is striving constantly to improve its programs and make them more usable by banks and small businessmen.

BOARD OF DIRECTORS

Robert M. Surdam
Chairman of the Board

Charles T. Fisher III
President

Joseph G. Conway
Vice Chairman of the Board

Richard H. Cummings
Vice Chairman of the Board

A. H. Aymond
Chairman
Consumers Power Company

Harry B. Cunningham
Honorary Chairman of the Board
K mart Corporation

David K. Easlick
President
The Michigan Bell Telephone Company

Richard C. Gerstenberg
Director and Former Chairman
General Motors Corporation

Martha W. Griffiths
Griffiths and Griffiths

John R. Hamann
President
The Detroit Edison Company

Robert W. Hartwell
President
Cliffs Electric Service Company

Joseph L. Hudson, Jr.
Chairman
The J. L. Hudson Company

Walton A. Lewis
President
Lewis & Thompson Agency, Inc.

Richard Manoogian
President
Masco Corporation

Don T. McKone
President
Libbey-Owens-Ford Company

Irving Rose
Partner, Edward Rose & Sons

Arthur R. Seder, Jr.
Chairman and President
American Natural Resources Company

Robert B. Semple
Chairman
BASF Wyandotte Corporation


George A. Stinson
Chairman
National Steel Corporation

Peter W. Stroh
President
The Stroh Brewery Company

Advisory Members

Peter J. Monaghan
Monaghan, Campbell, LoPrete & McDonald

Nate S. Shapero
Honorary Chairman and Director
and Chairman of Executive Committee
Cunningham Drug Stores, Inc.

 NATIONAL DETROIT CORPORATION
National Bank of Detroit
611 Woodward Avenue, Detroit, Michigan 48226



You can tell a lot about a corporation by the way it grows.

- Our lead bank, National Bank of Detroit, is the largest in Michigan and eighteenth in the U.S. with deposits of approximately \$7 billion.
- Seven other subsidiary banks strategically located throughout the state of Michigan bring the total number of retail banking offices to 138.
- International offices in London, Frankfurt, Tokyo and Nassau plus financial affiliates in Europe and Asia.
- Additional domestic subsidiaries engaged in mortgage banking, consumer finance and insurance.

Our growth is made all the more significant to investors because of consistent profitability. In the last ten years, for example, earnings have grown at a compound annual rate of over 10% and the dividend rate has increased at a compound annual rate of 7%. This earnings growth over the past decade compares favorably with that of the banking industry and the Standard & Poor's 500 (Composite) stock index.

National Detroit Corporation is listed on the New York Stock Exchange and our latest financial reports are available by writing to our Financial Communications Department.



Member FDIC

NATIONAL DETROIT CORPORATION

National Bank of Detroit

611 Woodward Avenue, Detroit, Michigan 48226

DOMESTIC SUBSIDIARIES: First State Bank of Saginaw; Grand Valley National Bank, Grandville; NBD Dearborn Bank, N.A.; National Bank of Detroit; NBD Commerce Bank, Lansing; NBD Insurance Company, Detroit; NBD Mortgage Company, Detroit; NBD Port Huron Bank, N.A.; NBD Portage Bank; NBD Financial Services of Florida, Inc.; NBD Troy Bank, N.A.; Instaloan Financial Services, Inc.

CONSOLIDATED BALANCE SHEET — June 30, 1979 (dollars in thousands)

ASSETS

Cash and Due From Banks (including Foreign Time Deposits of \$940,743)	\$2,296,829
Investment Securities — At Amortized Cost (Market value \$1,309,787)	1,309,488
Trading Account Securities — At Lower of Cost or Market (Market value \$3,119)	3,118
Money Market Investments	1,057,663
Loans:	
Commercial	2,240,274
Real Estate — Construction	38,085
Real Estate — Mortgage	981,548
Consumer	655,765
Foreign	561,216
	4,476,888
Allowance For Loan Losses	(56,511)
Unearned Income	(90,307)
	4,330,070
Lease Financing	25,087
Bank Premises and Equipment (at cost less accumulated depreciation of \$63,062)	84,335
Customer Liability on Acceptances and Letters of Credit	218,377
Other Assets	127,757
Total Assets	\$9,452,724

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:	
Demand	\$2,142,919
Certified and Other Official Checks	352,044
Savings	1,438,014
Time	1,149,059
Certificates of Deposit	850,168
Foreign Office	1,199,491
	7,131,695
Short-Term Borrowings	1,273,355
Liability on Acceptances and Letters of Credit	218,512
Accrued Expenses and Sundry Liabilities	176,983
Capital Notes	72,247
Total Liabilities	8,872,792
Other Commitments and Contingent Liabilities	—
Shareholders' Equity:	
Preferred Stock — No Par Value	—
No. of Shares	
Authorized 1,000,000	
Issued	—
Common Stock — Par Value \$6.25	75,953
No. of Shares	
Authorized 20,000,000	
Issued 12,152,465	
Capital Surplus	180,303
Retained Earnings	325,195
Less: Treasury Stock —	
54,276 Common Shares at cost	(1,519)
Total Shareholders' Equity	579,932
Total Liabilities and Shareholders' Equity	\$9,452,724

Assets carried at approximately \$683,000,000 (including U.S. Treasury Securities carried at \$38,000,000) were pledged at June 30, 1979, to secure public deposits (including deposits of \$54,599,487 of the Treasurer, State of Michigan) and for other purposes required by law. Outstanding standby letters of credit at June 30, 1979, totaled approximately \$41,000,000.

The Fuel Situation for Agriculture

Biggest problem will be availability – not price

LAST YEAR, farmers spent \$6.5 billion for fuel and energy. That was up from \$5.7 billion the previous year. Of the total 1978 bill, \$2.1 billion was for gasoline and \$1.7 billion, diesel fuel. The U. S. Department of Agriculture (USDA) now is estimating that these fuels will increase about 25% this year, so farmers could be spending in excess of \$4.7 billion for gasoline and diesel fuel this year.

However, price isn't the biggest problem farmers and ranchers are facing as fall harvest approaches. It's availability. There have been problems in some areas of the Midwest and parts of the West since Special Rule 9, which granted farmers 100% of their needs for diesel fuel, was rescinded after planting. The real crunch will come with harvest, and many farmers and agricultural specialists are concerned that the state-controlled set-aside won't be adequate to handle agricultural needs during a peak fuel-usage season. It seems clear that the special agricultural allocation won't be used again, at least on a nationwide basis. Something similar could be used to handle regional or more local situations, as Secretary of Agriculture Robert Bergland said when he lifted the special allocation.

A little background on the diesel-fuel situation will explain why it's a particular aggravation to farmers, while there appears to be little problem with gasoline. Diesel fuel and heating oil are similar and together make up what is called mid-range distillates. The Administration is worried that stocks of heating oil won't be great enough by the time cold weather arrives. So, there's a push to produce as much heating oil as possible. Also, diesel fuel and heating oil are decontrolled. That means prices are free to move as the market dictates, and each

By **WAYNE RITCHIE**
Doane Agricultural
Service, Inc.
St. Louis

distributor or tank-wagon operator is allotted diesel fuel based on his sales during a base period. This means the fuel is allotted by the month, which doesn't fit farming requirements. For instance, this past spring, wet weather in the Delta meant little field work was accomplished during May. But a farm supplier couldn't carry over his May allotment unless he had the storage for use in June. Farmers are in a similar position. Though some farmers have increased their farm-fuel-storage capacity, many have not and aren't able to take fuel from their dealers during months when little field work is being done.

To complicate the situation further, consumption of diesel fuel by farmers has increased rapidly the past few years. The USDA hadn't expected diesel use to equal gasoline before 1985, but recent figures indicate it may occur within another year or two. As an indication of the rapid shift to dieseliza-

tion, one major farm-machinery manufacturer hasn't shipped a single motorized machine with a gasoline engine in the last four years. They've all been diesels — combines, cotton pickers, tractors of all sizes (except lawn and garden), swathers and forage harvesters. So each season, the fuel dealer needs more diesel fuel for his customers, while his shipment from the supplier is based on the previous year when less diesel was sold.

The major safety valve for a farmer unable to get fuel from his supplier is the state set-aside program. This set-aside of both gasoline and diesel fuel is controlled by state energy offices and has worked fairly well. The set-aside is made up of 5% of the gasoline and diesel fuel that moves into the state each month. If an emergency occurs, the state office is contacted and they then try to find the fuel for the farmer or anyone else in trouble. The usual route for a farmer to take is to contact his county Agricultural Stabilization and Conservation Service (ASCS) office, which has the forms and phone numbers needed. The weakness of this program, as far as agriculture is concerned, is there isn't enough fuel to handle a major statewide agricultural shortage. For instance, if it's wet in October and little harvesting is done, that month's set-aside can't be held over to November, when it will be needed. As we said earlier, the Administration has promised help this fall where needed, but it won't be a blanket priority for agriculture.

In a recent issue of Doane's *Farming for Profit* newsletter, it was recommended that farmers plan their fall needs as soon as possible in terms of gallons per acre. From those figures, they will be able to appraise the situation better. Also, if help is needed from some agency, the necessary quantities

ESTIMATING FUEL NEEDS

Job	Gallons per acre	
	Gasoline	Diesel
Soybean harvest	2.38	1.70
Corn harvest	4.68	3.40
without PTO grain dryer	3.08	2.20
Corn silage	8.03	5.72
Haying	1.25-2.00	93-1.48
Wheat after fallow	6.26	4.47
Irrigate 14" center pivot	—	50.00
14" gated pipe	—	25.00
Fall plow, disk	2.98	2.13
Chisel plow, no disk	1.54	1.10
Cotton picking, twice	—	6.50

Consumption figures are based on average conditions and soil. Fuel for hauling included.

Twice as Nice

Fidelity National Bank offers complete processing on both Master Charge and VISA in our Bank Card Center in Baton Rouge

Now you can make things twice as nice for you and your customers, with full service through one bank instead of several.

Fidelity's new and modern bank card computer system provides you with:

- greater profit opportunities on both Master Charge and VISA services
- direct line communications (for special VIP customers in a hurry)
- quick authorization for your merchants (one phone number and one call does it all)
- competitive discount rates on local or chain merchants (an excellent incentive for attracting new accounts)
- data capture available for banks which already offer both cards.
- Master Charge/Visa, ATM or private card embossing and incoding at very competitive prices.

To find out more about how Fidelity can make things twice as nice for you and your customers, call either Harry Garrett, Vice President and Manager of Fidelity's Bank Card Center, or Whit Morris, Vice President and Marketing Manager at (504) 387-4084.



FIDELITY
NATIONAL BANK
OF BATON ROUGE

P.O. Box 1606
Baton Rouge, Louisiana 70821



**Your total
bank card
processing center**

Introducing TheChoice PakSM from

The only prepacked travelers transaction time without

Now there is a prepack system for selling travelers cheques that saves time without antagonizing customers.

It's TheChoice PakSM from Thomas Cook. And unlike other prepacks, TheChoice PakSM does not restrict your customers' purchasing choices. In amounts. Denominations. Or style of wallet.

"How would you like it?"

In most travelers cheque transactions, there is a lengthy dialogue between customer and

teller concerning the amounts and denominations. TheChoicePakSM system eliminates this unnecessary and often confusion-filled discussion. Without sacrificing customer freedom of choice in the process.

No more red faces. TheChoice PakSM also saves time by ending confrontations over specific amounts. While other prepacks limit customer choices to \$50 multiples, TheChoice PakSM enables your tellers to fulfill immediately requests for any amounts. There are no excuses to make. No embarrassing apologies. No time-consuming explanations. No dissatisfied customers.

The choice of checkbook-style security, too. TheChoice PakSM also gives customers a choice of manner



Customers can choose a wallet—
or the highly secure and highly preferred
checkbook format. Both under one cover.



TheChoice PakSM
offers customers
a wide range of denominations.
And that's just part of the choice.

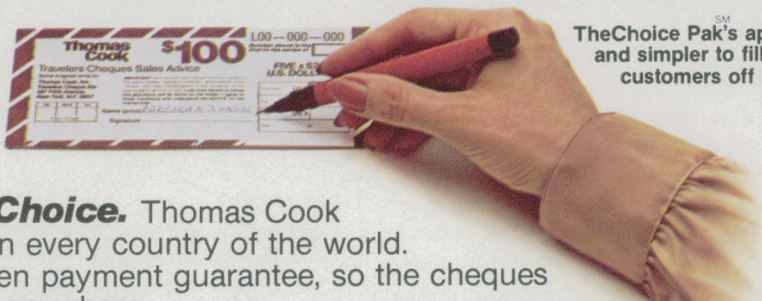
100-000-000
Thomas



Thomas Cook:

cheques that shorten shortening customer tempers.

for carrying their cheques. Either wallet-style, like other prepacks, or the highly secure and highly preferred checkbook format. Your customer gets both in one with TheChoice Pak.SM



TheChoice Pak'sSM application is easier and simpler to fill out. It gets customers off line quicker.

Thomas Cook is TheClearChoice. Thomas Cook Travelers Cheques are accepted in every country of the world.

Only Thomas Cook has a written payment guarantee, so the cheques can be accepted with confidence anywhere.

And now only Thomas Cook offers the ultimate convenience of TheChoice Pak.SM

To learn all the details of TheChoice PakSM system—including its internal operations benefits for you — fill out the coupon. Or call W.A. Maas, Sr. V.P., 212-754-2874.

TheClearChoice
Thomas Cook
 Travelers Cheques

Thomas Cook
 587 Fifth Avenue
 Dept. CP
 New York, N.Y. 10017

Please send me more information on TheChoice PakSM

Please have your representative call

NAME _____

TITLE _____

FINANCIAL INSTITUTION _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE _____

will already be calculated. Quantities shown in the accompanying table are for average situations. A wet fall will increase requirements. Heavy soils require more fuel for tillage operations.

The other fuel used in large quantities in the fall, LP-gas, is in good supply, and prices are only slightly higher than last year. That's good news for those farmers who dry crops. There has been a trend toward greater use of

LP for vehicles, and down the road, this fuel may become scarce and much more expensive. But for now, it's the best fuel buy around for those who can use it. ●●

Floating Interest Rates in 1980s Predicted for Farmers by Bankers

AS RURAL BANKS are forced to compete for more expensive and more volatile funds in the 1980s, farm borrowers may be faced with a new cost factor in agricultural production as they are subjected to the possibility of changing interest rates.

Five bankers who participated in the ABA agricultural news media seminar, held recently in Kansas City, expressed concern that future rural borrowers will be paying floating rates of interest reflective of the competition for funds in national and foreign money markets.

"Small banks will have to begin to operate more like larger banks by adopting an in-house prime rate reserved for their low-risk, high-balance borrower and peg other rates upward from that guideline," observed Alan R. Tubbs, seminar panelist and president, First Central State, Dewitt, Ia.

Addressing the topic of "Agricultural Credit in the '80s — Needs and Solutions," the seminar, one of a series sponsored by the ABA's agricultural bankers division, offered an opportunity for news-media representatives to discuss with knowledgeable rural lenders factors that affect the agriculture borrower-lender relationship.

The panel of bankers, moderated by James R. Eatherly, president and chairman, First National, Tonkawa, Okla., included: Clinton D. Kurtz, president, Citizens State, Norwood, Minn.; Rex G. Plowman, president and chairman, Lewiston (Utah) State; W. E. Drenner, executive vice president, First National, Topeka; and Alan R. Tubbs, president, First Central State, Dewitt, Ia.

Rail transportation will further affect the agricultural borrower, observed Mr. Drenner. "The frequency or timeliness of its availability and its ultimate cost determine which firms and which communities and growing areas remain in the grain business." Decisions made by Congress and the Administration regarding proposed "phased deregulation" of the nation's railroad system will dramatically affect

future prices paid to grain producers, frequency of rail service and rates quoted by railroads on grain shipments, Mr. Drenner said.

Other observations made by panelists include:

- Net increase in total farm debt has been \$15-20 billion annually and now totals approximately \$135 billion. Increases are certain to continue at even higher levels, and total farm debt could exceed \$300 billion by 1983 and approach \$400 billion by 1985.

- There are approximately 14,500 full-service banks in the U. S.: 73% are under \$25 million in assets and hold only 16% of deposits. At the same time, they handle over half the nation's non-real estate farm borrowing.

- Tapping the secondary market for loan funds will be the major key for banks in providing adequate capital for agriculture in the future.

- Federal compliance regulations and governmental red tape have become a real burden for the small agricultural bank, which is finding it often is difficult to administer government credit programs efficiently and hold down costs.

- There often is considerable overlapping of governmental programs causing many inconsistencies. While the FHA, SBA and HUD make loans and grants for rural housing, municipal sewer and water systems, libraries and parks, other federal agencies are closing hospitals, nursing homes and railroads — all of which are vital to rural development.

- Agriculture is facing a continuing and expanding challenge from industrial and recreational users of limited supplies of water. Because of competition, some farmers may not be able to afford costs for irrigating farmlands or they may be forced to find alternative crops that require less irrigation.

- Food prices will have to reflect increased energy costs, not so much in the production phase, but certainly in processing and distribution.

- While farmers' net worth has gone

up because of the inflated value of farmland, farm income has not gone up proportionately. Many farmers are using up their reservoirs of equity held in their land to meet loan needs.

- There is an enormous financing challenge coming in the next decade as approximately 40% of farm real estate, now owned by elderly people, will have to be taxed and refinanced as it changes ownership.

- Agricultural lenders will have to run to keep up their knowledge of agri-finance in the 1980s to meet the challenge of competition from other aggressive bankers. ●●

Regional Growth Fund At Bank of Southwest Focuses on Energy

HOUSTON — The Southwest Regional Growth Fund — created last December by Bank of the Southwest to invest in growth companies headquartered in the Southwest — now is invested 55% in equities with the balance in cash equivalents. The fund's equity portion has increased in value 22½% since its establishment, and value of the total portfolio has gone up 12½%.

Last month, Ronald J. Brescian, vice president and trust officer at the bank, said the fund should be 75%-80% invested during the next 30-40 days.

Some of the fund's leading performers are Louisiana Land & Exploration, Texas Oil & Gas, Keystone International, Panhandle Eastern, Earth Resources, Dresser Industries, American General Insurance and Big Three.

"This is a diversified fund, although emphasis is on the energy and energy-related stocks, because this region is the energy capital of the country," says Mr. Brescian. "The fund is designed to complement the equity position of an existing portfolio. The purpose of the fund is to diversify the company's equity position further.

"We are committed to original research. Our research staff is made up of individuals whose experience ranges from eight to 27 years. All have done and now are involved in original research."

Bank Directors to Study All Aspects of Banking At 37th Assembly in Canada

VANCOUVER, B. C. — Harry E. Leonard, who has been a banking commissioner and is now a banker, will give his views from "both sides of the fence" at the 37th assembly for bank directors September 1-4 at the Bayshore Inn.

Mr. Leonard, who was formerly Oklahoma's banking commissioner, is now president and CEO, First National, Muskogee, Okla.

An "Alternative to Oppressive Regulation" will be discussed by John B. Olin, Oregon's superintendent of banks.

A talk on "What the Outside Director Can Do for His Bank" will be given by Gordon G. Wittenberg, a director of First National, Little Rock, and partner in a Little Rock architectural firm.

"The Director, the Law and the Bank" will be discussed by John M. Davis, a partner in a Seattle law firm.

Harold R. Hollister, senior vice president, United Missouri Bank, Kansas City, is scheduled to talk on "Managing the Bank's Investment Portfolio."

"Selecting Management" will be discussed by Eugene L. Swearingen, chairman of the executive committee, Bank of Oklahoma and BancOklahoma Corp., Tulsa.

William F. Ford, senior vice president/chief economist, Wells Fargo Bank, San Francisco, will discuss "Planning to Achieve High Performance in the 1980s."

"New Responsibilities for Bank Directors" will be dealt with by John E. Shockey, chief counsel, Office of the Comptroller of the Currency, Washington, D. C.

C. C. Hope Jr., ABA president-elect and vice chairman, First Union National, Charlotte, N. C., will open the conference with a speech on "Banking: Labor Day, 1979."

In addition, at the spouses' program, Mr. Swearingen will discuss "Money Matters," and Will Mann Richardson, vice chairman, Citizens First National, Tyler, Tex., will talk about "Trusts and You."

Richard L. Kirk, executive director, Washington State International Trade Fair, Seattle, will discuss "The U. S. and the Orient in the 1980s," in addition to another address to the bank directors on "It's Time to Launch the Yankee Clipper."

NEW ORLEANS LAGNIAPPE

Lagniappe (pronounced lan-yap) is French for "something extra." We hope this column will give you a better insight into the city of New Orleans before you attend the ABA convention there October 6-10. In June, we told the tale of swashbuckler Jean Lafitte; last month, we uncovered a voodoo queen. This is the third of a four-part series about the secret side of the Crescent City. Watch for next month's city overview, a guide to things to do and see when you visit. For a complete digest of tourist spots, maps, history and trivia, send for the **New Orleans Vignette**, 1979 edition, Publications, Inc.; 204 Audubon, New Orleans, LA 70118. Copies are \$1.95 plus postage.

BY 1880, "the City of Sin" had gained a reputation for widespread and open vice. Corrupt



WORKING A SUCKER IN A CONCERT-SALOON

It's likely this cartoon of Storyville life appeared at turn of century in New Orleans newspaper.

police allowed gambling, prostitution, cabarets and "female sensational dancing," all of which still were officially illegal.

To control these scandalous activities, Alderman Sidney Story devised a plan to contain the vice in two districts. Out of this idea, Storyville began to grow next to the French Quarter. It had as many as 14 fancy "sporting palaces" in two blocks of Basin Street, where "landladies," overseeing the oldest of professions, competed for customers, using elaborate interior decorating, musical entertainment and originality of services. Blocks behind these establishments, rows of bare, decaying shacks, called "cribs," were inhabited by the poorest prostitutes.

MISS LULA WHITE



Miss Lula White, who has been a resident of Storyville for many years, is one of the few women who have remained in the district since its inception. She is a well-known figure in the community and has been a member of the local church for many years. She is also a member of the local school board and has been active in many other community organizations.



Clara Miller.

Clara Miller, who has been a resident of Storyville for many years, is one of the few women who have remained in the district since its inception. She is a well-known figure in the community and has been a member of the local church for many years. She is also a member of the local school board and has been active in many other community organizations.

Blue Books were notorious by-product of Storyville and listed pages of photos and descriptions of more than 700 women "employed" in district.

The *Blue Book* directory probably was the most well known by-product of Storyville. The publication sold in railroad stations and hotels, alphabetically listing names, addresses and races of more than 700 district ladies of the night. Many listings had brief descriptions next to the names, such as "sweet," "petite" or "demure," and many had lengthy character references, such as "Everybody's friend. Can sit up all night if necessary," "Can sing you a song, can play a violin or mandolin solo."

One influential Storyville citizen, Tom Anderson, owned several saloons, headed an oil company and became a state legislator. His Arlington Annex Saloon generally was known as the district's headquarters.

Storyville operated 20 years without excessive restraint. In 1917, though, it was closed by the Secretary of the Navy.



Lulu White and her Girls

Wiley Churchill, better known as "Zamb," depicted many New Orleans scenes in his drawings. This is one that appeared in *Andre Cajun's Basin Street, Its Rise and Fall*.

Increased Food Exports

The U. S.'s Long-Term Hope For Removing Trade Deficit

FOR sophisticated bankers, used to talking, thinking and acting in terms of the value of the dollar, trade balances and other such esoteric economic terminology, the whole subject of this article can be wrapped up in three sentences: In 1978, the U. S. had a trade deficit of \$28 billion. U. S. agriculture had a net surplus of exports over imports of almost \$14 billion. Illinois was the leading agricultural-export state.

We don't sell enough to pay for what we buy. Last year's \$28-billion shortfall contributed to the decline of

"Protectionism is gaining ground steadily in the U. S. Despite the fact that most economists believe the depression of the '30s was prolonged by protectionist measures, too many either have forgotten the lesson or did not live through its experience."

the dollar on foreign-exchange markets. There's a word for the effect this has on American consumers. It's called inflation.

Another word for it is "problem" with a capital "P." U. S. economic interests clearly demand that we seek solutions, economic solutions, not political solutions, to what has become an increasingly worrisome economic danger.

For example, despite the fact that

Mr. Lebeck gave the talk on which this article is based at the Illinois Bankers Association's 1979 convention.

By WARREN W. LEBECK
Senior Executive
Vice President
Chicago Board of Trade

Japan is a huge agricultural customer of ours, think what she could be.

Wheat prices in Japan are strictly controlled by the government because wheat is a relatively close substitute for rice, Japan's most important crop. Wheat cannot be imported without the government's permission, and all imported wheat must be sold to the government. The Food Agency buys imported wheat for about \$145 per metric ton; however, it pays Japanese farmers \$849 per metric ton. The government then sells both imported and domestic wheat at basis \$303 per metric ton for No. 2 Western White Wheat. These are 1977 figures. Profits from resale of imported wheat are used to subsidize domestic Japanese products. Interestingly enough, the price has not been lowered to reflect the yen's appreciation.

Let us also look at what the Japanese are looking at for their surplus-rice production. Their rice surplus now stands at more than three million tons, and it is still growing. The Japanese government, which holds the rice, is considering a proposal from the Food Agency director to subsidize use of 50% of the surplus for feed, 10% for industrial purposes (starches, alcohol) and 40% for food aid over the next three years. Total amount of rice involved is expected to be between 3.3 million and 5.3 million tons and cost the government between \$5.3 billion and \$10.5 billion (\$1 = Y 190).

I trust I don't have to explain what

effect it would have on our wheat producers if Japanese consumers were able to buy wheat products based on U. S. prices. And I know I don't have to point out the effect on feed-grain exports to Japan if it decides to subsidize its rice surplus for feed.

Now let me show you where Illinois fits into this picture. As I mentioned earlier, Illinois is the leading agricultural export state. Total U. S. agricultural exports in 1978 were \$27.3 billion. Illinois' share of this was \$2.77 billion, or 10.1%. The state ranks first in feed grains and products, first in

"Food. It's this country's biggest single earner of export dollars. Twenty cents of every dollar earned from exports comes from agricultural exports. Without such exports, the U. S. trade deficit last year would have been twice as large as it was."

soybeans and products and third in meats and meat products excluding poultry.

Value of all Illinois crops in 1978 was just over \$4 billion. Value of exports of feed grains and products and soybeans and products was over \$2.3 billion. This is not an exact comparison since products are included, but they are the only figures available and do illustrate how important exports are to the farmer.

But not just the farmer! Imagine the impact on Illinois' economy if any significant part of these sales were taken away. We could have economic chaos in Illinois since dollars a farmer re-

DON'T SETTLE FOR SLUGGISH.



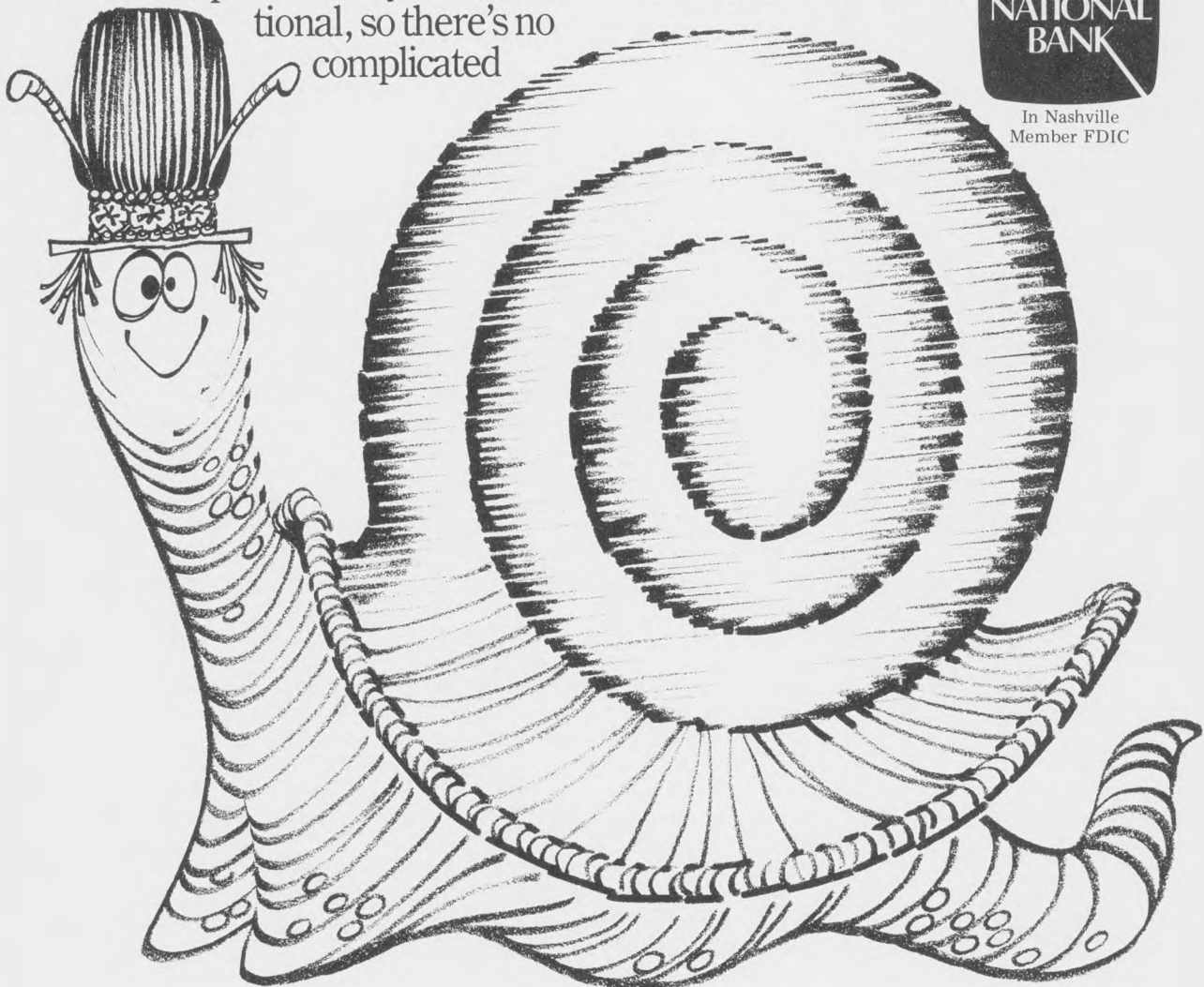
Instead of data processing at a snail's pace, you can have lightning quick, Third National Transmission.

Third National Transmission offers data processing by telephone instead of by courier. A low-cost computer is installed in your bank, then linked by phone to our larger and faster central computers. On-us items never leave your bank. Programming and other technical tasks are provided by Third National, so there's no complicated

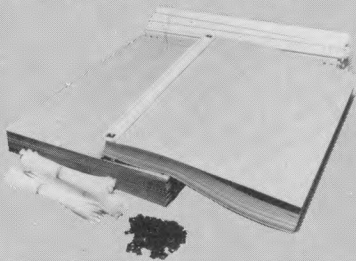
training required for your staff. Third National Transmission makes the slow-crawling courier system obsolete. Call one of our correspondent bankers today for further information. Our Tennessee WATS is (800) 342-8360. In neighboring states, dial (800) 251-8516.



In Nashville
Member FDIC



SAVE TIME, MONEY AND EFFORT



Spend less money storing cumbersome data printouts. Belmont's Special Bankers Kit binds printouts neatly in rugged "Duraflex". The special Slide-Lock Binders allow easy insertion of additional data. When full, merely lock permanently with lock nuts and use the top mechanism again and again. Kit will accommodate 50 binders. As low as 75¢ each in quantities. Includes covers, 6" posts, and slide-lock mechanisms.

Write or call for full information



**BELMONT
PLASTICS**

P.O. Box 2892
Laguna Hills, CA 92653
(714) 770-2967

COUPON BOOKS

Same Day Service!

For Samples & Prices
Contact:



SERVICE BUREAU
RUDOLPH, WI 54475
(715) 435-3131

ceives for his crops flow through the state's economy, and — much more importantly to bankers — pays the interest and principal on loans made to producers.

Consequently, Illinois has a greater stake in agricultural exports, agricultural-export policy and overall trade policy than any other state.

As important as agricultural exports are to all of us and to our economy as a whole, they still are only one aspect of our problem.

There *are* things we can do, things we *must* do, such as reducing our dependence on foreign oil through conservation and development of domestic-energy sources. Such as doing a better job than we already have done in promoting sales of American exports, especially agricultural exports, an area where we have a competitive edge. Such as providing American industry with the capital incentives it needs to invest in new technology so that we can compete more effectively with those nations whose competitive advantage is cheap labor.

We have just as much ability today to innovate as we've ever had. What's different now is that we have created unnecessary barriers for would-be entrepreneurs, for people in labs or garages whose thinking and tinkering lead to new products, to new industries. Taxes are one critical area.

Regulation is another key roadblock. Nobody argues against the need for cleaner air or greater product safety. What is at issue is the costly, cumbersome and inefficient way we so often have gone about realizing these goals.

Harper's William Tucker recently pointed out there are 125 environmentally safe "biological" pesticides that have been created, but are not available for sale. Reason: The cost and time of getting these through the Environmental Protection Agency red tape makes them commercially unfeasible.

We also should be taking steps to remedy circumstances that drive American investment capital out of the country. As of the start of this year, U. S. investments abroad totaled more than \$150 billion.

Regrettably, some people are promoting potential solutions that are neither sensible *nor* reasonable. And some of them have to do with food, although not exclusively food. Such as suggesting that one way to reduce our trade imbalance is by creating barriers to imports. As you might expect, the people who propose this generally are the same ones who are in *competition* with imports. The trouble with this

approach, of course, is that it doesn't work. When we establish barriers against another nation's exports, they establish barriers against *our* exports.

Protectionism is gaining ground steadily in the U. S. Despite the fact that most economists believe the depression of the '30s was prolonged by protectionist measures, too many either have forgotten the lesson or did not live through its experience.

One of the Great Depression's hard lessons is that protectionism is not the answer to our economic problems. Supporters of protectionism in the '30s saw themselves as prudent men acting to avert an economic crisis. What started out modestly soon became a Christmas tree with no fewer than 1,250 amendments to protect various industries. Economists fought the bill, but failed. Result? Within three years, our industrial exports had declined by 73%; the protectionist spirit spread throughout the world and, in the minds of many, contributed to the economic and political unrest that led ultimately to World War II.

The more critical our trade imbalance becomes, the weaker our currency, the more inclined politicians would be to take measures that would harm us all.

Food. It's this country's biggest single earner of export dollars. Twenty cents of every dollar earned from exports comes from *agricultural* exports. Without such exports, the U. S. trade deficit last year would have been *twice* as large as it was. It is the one area where the U. S. has a clear-cut advantage over every other other nation in the world. Not only is agriculture our most valuable natural resource, but unlike most other resources, it has the added advantage of being a renewable resource.

Clearly, the best long-term hope the U. S. has for putting its trade balance in the black is through increased food exports. The obstacle obviously isn't lack of demand; it's lack of ability to *pay*. Notwithstanding this, there are some people who seem to think there's a shortcut to increased dollar earnings from agricultural exports: Raise the *prices* of agricultural products, politically. The argument is that this would trim the trade deficit and increase farm income in one single action. All so simple — and *dangerous*.

Political meddling with the mechanism of the free-market price can have — and historically *has* had — disastrous consequences. It matters little whether the meddling is in the form of trying to prop prices up for the benefit of producers or push prices

down for the benefit of consumers. The results are the same. Let me cite two examples:

In 1959 — less than two decades ago — the U. S. exported nearly eight million bales of cotton. Then along came a series of political actions that had as their aim, and their result, an increase in the market price of cotton. So for a while, cotton farmers left the cotton gin with bigger paychecks. But *buyers* of cotton here and around the world were not happy. So a number of other countries began producing cotton. Or began producing *more* cotton. At the same time, textile users began investing hundreds of millions of dollars to produce cotton substitutes. Results are on the bottom line. Since 1959, total U. S. agricultural exports roughly have quintupled, but cotton exports have *decreased* — by 40% — from nearly eight million bales to fewer than five million bales.

A second example has to do with a soybean-export embargo. In this case, politicians reacted to consumer pressures, and there's no doubt the politicians accomplished what they set out to accomplish. With the export market suddenly shut off, domestic prices declined. But the politicians also accomplished something they *hadn't* set out to accomplish — an incentive for traditional importers of our soybeans to seek other suppliers. Seek they did. They also reportedly spent a lot of money to encourage other nations, like Brazil, to increase soybean production. Increase they did. From 1973 to 1977, Brazilian soybean production climbed from 184 million bushels to 487 million bushels, a 165% increase. Brazil's normal crop now is about one-third the size of the U. S. crop, and it is our major competitor in the world soybean market.

Make no mistake about it. The U. S. enjoys a strong competitive advantage in agriculture, in production of food for export. However, we delude ourselves in thinking we have a *lock* on the market, that we can do as we want with prices and suffer no consequences. There are few nations in the world that wouldn't *like* to reduce their dependence on foreign-produced food, just as we would like to reduce our dependence on foreign oil — and for the same reason.

Unfortunately, when confronted with complex economic topics, too many Americans are like the man who was asked which he thought was the greater problem: ignorance or apathy. His response was that he didn't know and didn't care.

We must know, and we must care.

Sears Accepts Bank Cards As Test in Milwaukee Area

Sears, Roebuck & Co. began accepting bank charge cards as a test in 11 Milwaukee-area stores last month.

The Master Charge and Visa cards were implemented through First Wisconsin National, Milwaukee.

Since the growth of bank cards in the late 1960s, Sears continually studied the possible effect of accepting bank cards on its business and as a convenience to its customers, says Edward R. Telling, Sears chairman and CEO.

"The addition of market testing to our studies should not be construed as an assurance that we will ultimately accept bank cards throughout the nation," Mr. Telling says.

The Milwaukee area was selected for the test because, in addition to wide acceptance of bank cards, the characteristics and closeness of its market to Sears headquarters in Chicago will help researchers in evaluating the test.

New Dollar Coin Honoring Susan B. Anthony

Pure 24K (Yellow) Gold Plate

Get in on the ground floor while interest is still high, with these beautifully Pure 24K Gold Plated specimens honoring Susan Brownell Anthony (1820-1906) for her leadership in the Women's Suffrage Movement.



While the issuance of any new U.S. coinage or currency is always a notable event, this particular new issue will be of special interest because of two unique aspects:

- The first resizing of the dollar coin since the introduction of the Liberty Head dollar more than a century ago.
- The first time that a U.S. coinage has ever carried the portrait of an American woman.

So that families throughout our great nation may obtain a permanent commemoration of this historic event, we have obtained a number of these and beautifully Gold plated them. We then inserted them in individual cases, so they are ready for distribution to your customers.

They may be obtained for as little as \$2.68 ea. in quantity. Write for full information (free) or send \$3.50 for a sample Gold plated Anthony dollar, along with details.

CUSTOM ORDERS

We will Gold plate special coins for you and also have holders made up to your specifications. (In quantity **only**)

Please your customers with a charming New Money Idea!



We are also manufacturers of a very fine line of cut out coin jewelry (U.S. silver coins with all background delicately and skillfully cut out). These are made into pendants, earrings, bracelets, key chains, money clips, belt buckles, etc. Send for free booklet and wholesale prices today. \$4.00 will get you a cut-out Mercury dime pendant as a sample of our supreme workmanship.



Coin Jewelry

5562 Union Ave.

Lexington, Michigan 48450

359-8410 (313)



Excessive Regulation Pointed Up In Wheat Futures 'Horror Story'

EXCESSIVE GOVERNMENT regulation is not just a problem with bankers, as was illustrated by Robert K. Wilmouth, president, Chicago Board of Trade (CBT), in a speech made at the Texas Bankers Association's 1979 convention. As he showed in his talk, such regulation sometimes can control free markets; make free markets less free. By the way, Mr. Wilmouth formerly was a banker in Chicago and San Francisco.

He told the Texans, "As you may know, it became apparent some seven or eight months ago that, because of a short crop, there would be less than a normal supply of soft red winter wheat, the basic type of wheat traded at the Chicago Board of Trade. Also, as we moved into this winter, there was some scarcity of transportation, of rail transportation for wheat. For these reasons, we were monitoring rather closely the delivery situation and the open interest in our March wheat contract. Our objective, of course, was to assure that there would be an orderly liquidation of the contract prior to expiration and no price distortion."

He said that the liquidation was going along nicely and in an orderly manner throughout March, and the CBT believed the futures market was doing an excellent job of reflecting cash-market wheat values — which is what a futures price is *supposed* to do. On March 1, he continued, CBT's open interest was about 26 million bushels, and by mid-March, it had been reduced to just 8.8 million bushels with four trading days still to go.

"There certainly was no indication whatsoever," he pointed out, "that the longs in the market were 'squeezing,' as might have been indicated by a sharp run-up in the price. As a matter of fact, prices for March wheat in mid-March actually were *lower*, by about 12¢ a bushel, than they had been earlier in the month."

Notwithstanding all this, said Mr. Wilmouth, the Commodity Futures Trading Commission (CFTC) became alarmed because, as the open interest was being reduced, there was an increasing *concentration* of open interest

in fewer and fewer hands. And this, the commission concluded, was evidence of threatened — or even actual — manipulation.

"The fact is," Mr. Wilmouth emphasized, "it was absolutely nothing of the sort. For one thing, increasing concentration of open interest is perfectly normal, indeed inevitable, as there is liquidation during closing days of a contract. In the second place, concentration of open interest is no more evidence of manipulation than a lack of concentration is an assurance there *isn't* manipulation. Manipulation can occur, if allowed to occur, with or *without* concentration of holdings. The measure of whether there is or is not manipulation is, plain and simple, the *price*. And whether the price is in line or is not in line with cash-market values. Our opinion — and the evidence strongly supports it — is that the futures price for March wheat was *not* out of line. It was very much *in* line with realities of the cash market."

“. . . More and more businessmen today are speaking out, are willing to say unreasonable regulation is unreasonable, that excessive regulation is excessive and that damaging regulation is damaging.”

The CBT explained this to the CFTC and assured the agency that it was monitoring the situation continuously, that the contract was being liquidated in an orderly way, which it was, he added, and that the CBT had assurance from major market participants, those still holding substantial long positions, that it would *continue* to be liquidated in an orderly way.

Nonetheless, said Mr. Wilmouth, on March 15, the CFTC took the unprecedented action of ordering a total suspension of trading in March wheat and arbitrarily ordered that liquidation of all remaining contracts be at the

closing price of the day before. Stated as simply as possible, he said, the CFTC said the *market* no longer would be allowed to determine the price of wheat, but that the *government* would set it.

The CBT went into court, asked for and was granted an immediate reversal of the CFTC order. As Mr. Wilmouth explained, "The judge in the case said it as well as it can be said: 'The government *overreached* itself.'"

The CFTC subsequently appealed the ruling, but the appeals court upheld it. Trading resumed after a one-day suspension, even though, according to Mr. Wilmouth, the government had deprived the market of one crucial day needed to perform its normal function. He said there was a completely orderly liquidation with no significant change, in either direction, in the price of wheat.

"The free market, when allowed to work, did work," said Mr. Wilmouth. "The only 'emergency' existing in the market — 'emergency' being the government's term — was the one created by the reckless actions of the government itself."

Mr. Wilmouth told his audience that he cited this example of over-regulation to point out the *kind* of regulatory meddling that is eroding what he calls "our American advantage," this advantage being our system of free markets and free enterprise.

However, there is hope that this over-regulation will be lessened, because, as Mr. Wilmouth put it, ". . . More and more businessmen today *are* speaking out, are willing to say unreasonable regulation is unreasonable, that excessive regulation is excessive and that damaging regulation is damaging. And I think that, more and more, they are being heard. And, more and more, they are being believed. Because the one thing they have no shortage of is *evidence*."

He also sees hope in Congress, whose members are beginning to realize their constituents are tired of being regulated, who recognize that regulation is not the solution to every situation or the panacea for every problem. ●●



The largest bank computer system in Kansas



is also the fourth largest.

Last year it was simply the largest bank computer system in Kansas. But times are changing, and so are the needs of our correspondent banks.

Growing competition from other financial institutions means banks can't afford to stand still. Not in capability. Not in capacity. And certainly not in the area of new technology.

The computer services division of The Fourth is moving ahead.

A case in point is the addition of a second computer that is practically as large as the first. It offers dual-system "back up" to eliminate

downtime, expedites routine correspondent bank services and provides complete in-state service to the growing Kansas BankCard Center and Via programs.

If you're thinking about the future, think about the largest, and the fourth largest, bank computers in Kansas.

Better yet, just think of The Fourth.

Call Tom Potter, Joe Stout, Gage Overall or Max Knopp. They'll get you "plugged in" to the expanded computer capacity of The Fourth.

Use us. For all we're worth.

A neighborhood bank as big as Kansas itself.

Member FDIC

TheFourth

The Fourth National Bank and Trust Company / Wichita, Kansas 67201 / 261-4441

Mercantile Panel Says Recession Is Here

IF YOUR neighbor is out of work, that's a recession. But if you are out of work, that's a depression. This is one comedian's definition of today's economic environment.

From comments made at Mercantile Trust of St. Louis' 24th annual correspondent conference last month, there must be a lot of "neighbors" unemployed because, according to three of the bank's top officers, the country already is in a recession.

Panel members included John H. Blixen, senior vice president and chief investment officer/trust department; Richard L. Johannesman, senior vice president/bond and investment department, and Eugene A. Leonard, senior vice president, Mercantile Bancorp., the bank's HC.

"I think we've already started the recession," Mr. Johannesman said. "I think the consumer is probably leading the recession right now. I think it's going to go deeper and last longer than anybody thought. . . ."

Housing starts and automobile sales — traditional warning-signal economic indicators — already have started sounding alarms.

The recent drop in automobile sales and pullback of consumer spending are signs that demand has slackened and

By **KAREN KUECK**
Assistant Editor

the recession already has started, according to Mr. Blixen.

Despite higher usury limits passed in several states this year, Mr. Blixen predicted a decline of "at least 25% in housing starts — to a 1.5-million-unit annual level — in the trough of this recession by the first or second quarter of next year."

In addition to the recession assessment, Mr. Leonard said that 1979 still looks like a year of double-digit inflation.

"I believe that inflation is a monetary phenomenon, but our ways of coping with it make it a political phenomenon also. The inflation outlook is grim" because government regulation is greater than ever; the U. S. economy has had trouble stimulating productivity, and political demands for government intervention grow, threatening to re-ignite the problem, Mr. Leonard said.

"Chances for controlling inflation in the 1980s are not good," he added, "but we shouldn't despair. We need to

make politicians heroes for trimming government instead of for making it grow."

Although bankers cannot control external forces that affect banking, they can control or try to manage the change within their own institutions, said Neal J. Farrell, Mercantile's president.

Mr. Farrell said that bankers could do the following to manage change:

- Develop a plan. "It doesn't have to be complicated or even written, and it should not be inflexible."

- Be aware of markets banks serve and develop innovative services before less-attractive alternatives are imposed by outside forces.

- Prepare bank employees for change through added in-depth training. For example, shift the emphasis of new accounts people from being order takers to being financial counselors.

Mercantile's course will include expanding "our asset base to what we believe is a prudent level, to enlarge our national presence, to continue our leading role in the Midwest in international banking, to remain an operations leader in the markets we serve," Mr. Farrell said. "And, of course, we plan to enhance our position as the largest provider of correspondent-banking services in this area and one of the



Members of Mercantile Trust of St. Louis directors' panel included (from l.) Moderator Neal J. Farrell, bank's pres.; James J. Kerley, ch., finance committee, Monsanto Co.; and Earl K. Dille, e.v.p., Union Electric Co. Not shown is Thomas H. O'Leary, pres., Missouri Pacific Corp.



Mercantile Trust of St. Louis' economic panel included (from l.) Moderator John McClure, v.p., regional banking's central group; Eugene A. Leonard, s.v.p., Mercantile Bancorp.; and Richard L. Johannesman, s.v.p., bond/investment department. Not shown is John H. Blixen, s.v.p., trust department.

largest in the country.”

“By preparing ourselves to manage change in the 1980s, we believe we are also preparing to serve you better, because when we provide you correspondent services, Mercantile becomes an extension of your bank. Our people become, in a sense, your people,” Mr. Farrell said.

Because costs of essentials like food and energy are rising faster than the current 12% annual inflation rate, consumers are feeling the pinch.

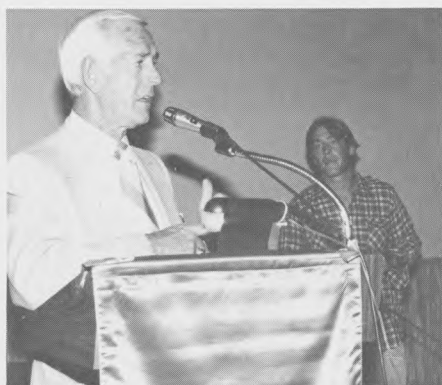
Addressing themselves to those increases were two Mercantile directors, James J. Kerley, chairman, finance committee, Monsanto Co., St. Louis, and Earl K. Dille, executive vice president, Union Electric Co., St. Louis.

Mr. Dille explained that erratic behavior of the federal government con-

Housing starts and automobile sales — traditional warning-signal economic indicators — already have started sounding alarms. The recent drop in automobile sales and pullback of consumer spending are signs that demand has slackened and the recession already has begun.

cerning energy production is seriously affecting the industry and its costs to consumers.

“While one branch of government is pushing use of coal, other branches are doing their best to limit production and use. The Mine Safety Act, laudable in intent, has cut production drastically,” he said. “New laws limiting strip mining and requiring scrubbers



Warming up bank officers and guests before traditional St. Louis Cardinal baseball game are Jack Buck (l.), “Voice of the Cardinals” and Ted Simmons, Cardinals’ catcher.

on low sulfur coal have the effect of discouraging use of our vast western coal reserves.”

Government regulation has hurt his industry, also.

“Regulation has run rampant, and there seems to be small indication that any consideration of the relationship of cost to benefit will come into play. Various departments, many inflicted with tunnel vision, are pursuing their own ends — environmental, social or political. There seems to be no effective moderator,” Mr. Dille said. To make matters worse, “Government doesn’t believe its own regulators; regulators don’t believe the suppliers, and consumers don’t believe anybody,” he said.

During the 1973 oil embargo, the U. S. was importing 30% of its petroleum. “Now after that first severe warning, the figure is up to 50%,” he said.

The chemical industry’s biggest concern today “is the future availability and cost of hydrocarbons for feedstocks,” Mr. Kerley said.

Feedstock is raw material supplied to a machine or processing plant.

“It is clear that as long as OPEC maintains effective control of world oil supplies, normal market forces will be restrained. Simply put, supplies will be limited and prices will continue to increase.”

Since the upheavals in Iran, the impact of reduced oil supplies and higher prices has been felt more by the European and Japanese chemical industries than those here, he said.

This is because “industries outside the U. S. are more heavily dependent on derivatives of crude oil for feedstocks than is the U. S. industry. Here, natural gas is relatively more important. Also, in the U. S. we have been partially shielded from oil-price increases by price controls on domestically produced oil.

“However, supplies of aromatics (a group of important oil-based chemicals) have been curtailed disproportionately in the U. S. because they are being used to replace lead in unleaded gasoline as octane-building additives. As use of unleaded gasoline increases, relatively more aromatics are diverted from chemical-industry use,” Mr. Kerley said.

Mr. Kerley added that the chemical industry is trying to reduce its dependence on unreliable sources of feedstock by developing its own supplies and getting involved with oil companies in joint ventures.

“Monsanto has entered a joint venture with Conoco and is carrying on



Donald E. Lasater (l.), ch/CEO, Mercantile Bank Corp., St. Louis, congratulates John Pisarkiewicz, v.p., on his more than 25 years at bank at annual correspondent conference last month.

exploration and drilling activities as well,” he said.

Chemical products, especially plas-

The inflation outlook is grim because government regulation is greater than ever; the U. S. economy has had trouble stimulating productivity, and political demands for government intervention grow, threatening to re-ignite the problem.

tics and synthetic fibers, have become cheaper substitutes for natural or other materials.

“As feedstock costs increase, synthetic materials no longer will be as cheap a substitute. However, there are still substantial economic advantages for synthetic fibers over cotton and wool for many applications, and plastics still are generally *less* energy-intensive than metals or glass for most uses,” he explained.

NBC Washington correspondent Douglas Kiker was the buffer zone between the strictly all-business portion of the program and the entertainment side.

He agreed with the bankers that “we are in for a hair-curling recession.”

“In simple terms, we are an oil economy,” he said. “We need oil to run cars, make sheets and make aspirin. The current inflation is tied to oil. We are in deep trouble as long as we remain an oil economy.” ●●

More Competitive Financial Structure Will Be Here Soon, Predicts Guffey

KC Fed will continue to urge membership-issue resolution

ALTHOUGH BANKING and bank regulating aren't "fun anymore," there is hope for the future, said Roger Guffey, president, Kansas City Fed, at the New Mexico Bankers Association's annual convention in Albuquerque.

"There are good opportunities ahead for thoughtful bankers to work with regulators and legislators to develop a system that acknowledges the complementary needs of financial institutions and the public," he said.

"And the opportunity for all like financial institutions — including S&Ls, mutual savings banks and others — to compete on an *equal* basis should be the central theme of our mutual efforts."

Mr. Guffey said that "a financial system which permits the principles of the free market to operate, unfettered by oppressive regulation, is the most *efficient* way to allocate the total financial resources of our nation."

Much of the current regulatory framework is a heritage of the traumatic 1930s, when laws were implemented to bring stability to a chaotic banking system and to restore

public confidence in a banking system viewed with distrust, Mr. Guffey said. He added that the laws emphasized protection of bank depositors and prevention of bank failure.

"Many of these laws, such as creation of the FDIC, served their purpose well. Other laws, however, written for another time and purpose now serve only to reduce competition without appreciable improvement in bank soundness and safety.

"A key example is interest-payment restrictions on demand and savings deposits originally designed to prevent 'excessive' competition among banks," Mr. Guffey said.

Although the regulatory legacy of the 1930s is still around, recent technological changes and competition from nonbank financial institutions and continuing inflationary pressures are urging piecemeal alterations of many of the laws, he said.

Mr. Guffey believes payment of interest on all types of deposits will increase competition and, ultimately, economic efficiency.

Mr. Guffey believes the following

may happen in the near future:

- Federal legislation will authorize NOW accounts for like financial institutions — including banks — on a nationwide basis.

- Branching restrictions on financial institutions will be relaxed.

- Statewide and regional electronic transfer systems will be developed.

He told the New Mexico bankers that the Kansas City Fed will continue to urge an early resolution of the Fed-membership issue and an easing of the reserve burden.

Mr. Guffey added that bankers and regulators, alike, should support development of a system whose ultimate objective is the economic efficiency of the financial structure. He said he hopes to see established a financial structure where all similar institutions can compete equitably.

Other convention speakers included C. C. Hope Jr., ABA president-elect and chairman, First Union National, Charlotte, N. C.; Leonard Passmore, secretary and counsel, Texas Bankers Association, Austin; New Mexico Governor Bruce King and David Rusk, mayor of Albuquerque.

New Officers. Kenneth O. Wilbanks, president, First National, Farmington, succeeded Leon G. Harmon, president, New Mexico Bank, Hobbs, as president of the association. Jonathan R. Nunn, president, Citizens Bank, Tucumcari, was elected president-elect. David A. Ater, president/CEO, First National, Santa Fe, was elected treasurer.

Mr. Nunn joined his present bank in 1964 as executive vice president. He was named president in 1965. Prior to joining Citizens Bank, he was vice president/director, Bank of Las Vegas. He began his banking career in 1960.

Mr. Ater joined First National, Santa Fe, in 1970 and worked in the lending, operations and general administrative areas before being named president/CEO in 1978. Prior to 1970, he was employed with the Dallas *Times-Herald* Printing Co. in its management training program. ●●



New Mexico Bankers Association officers and directors are (top row from l.) C. Neal Johnson, Artesia; Milo McGonagle, Santa Fe; Immediate Past President Leon G. Harmon, Hobbs; William Fietz, Albuquerque; Jack Cargill, Roswell; Bob Wood, Portales; John C. Johnson, Belen; J. Larry Carter, Albuquerque. Bottom row (from l.) are President Kenneth O. Wilbanks, Farmington; Executive Vice President Sharon Janecka; Treasurer David Ater, Santa Fe; and President-Elect Jonathan R. Nunn, Tucumcari.

“First City believes in you. You get correspondent banking services that really help you and help your customers.”

At First City National Bank of Houston, we know the value of a good customer.

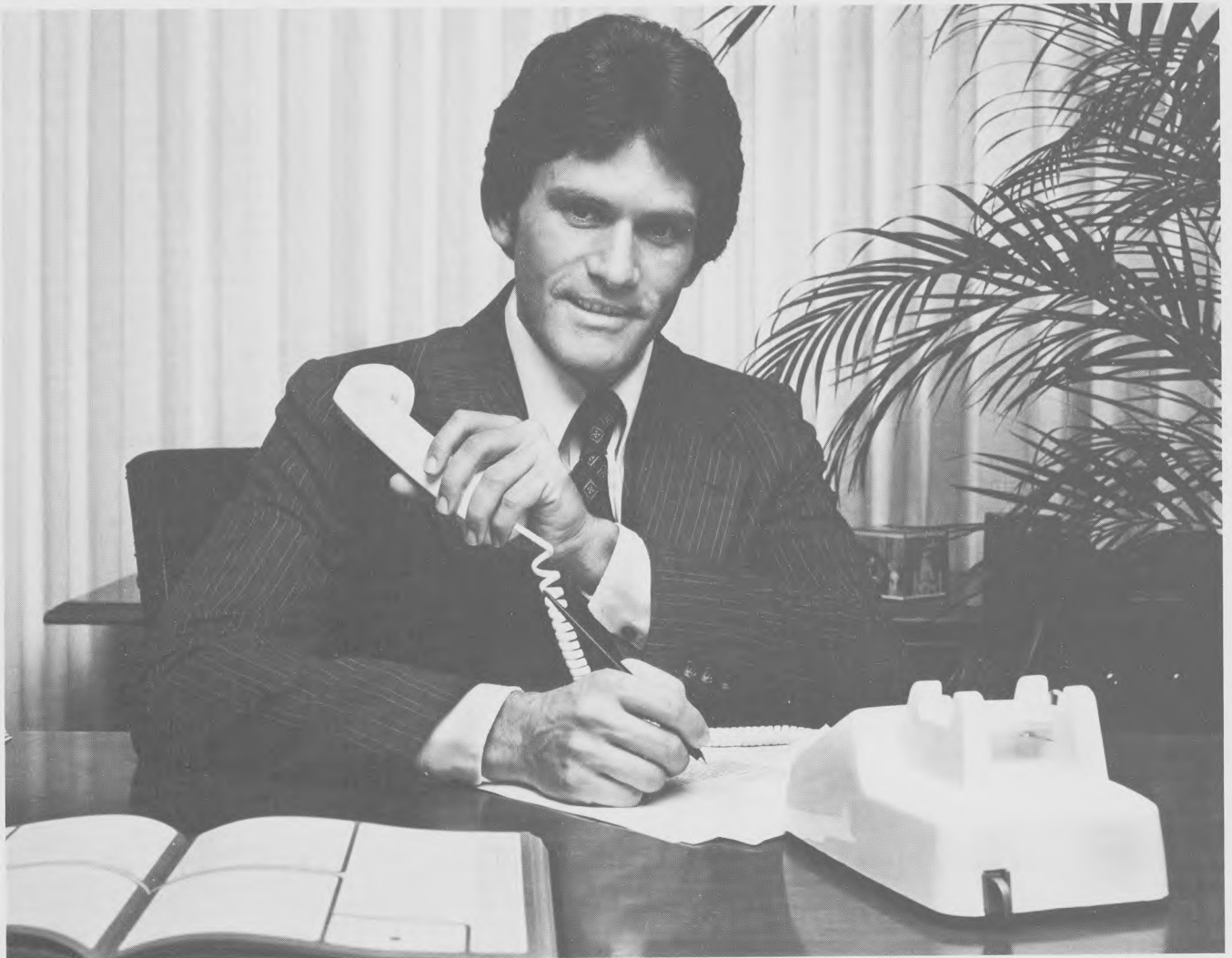
That's why we offer correspondent banking services to financial institutions throughout the Southwest. Services that help you and help your customers. At First City National, we believe in you.

If your customers need to borrow amounts that exceed your legal lending limits, talk to us. We're the largest bank in Houston and the lead bank in a financial institution with over \$7 billion in assets.

With our international connections, we can extend your financing capabilities to almost any place in the world.

Next time you need correspondent banking services, call First City National. We respond fast and efficiently, because we know we can't afford to keep a good customer waiting.

Give us a call at (713) 658-7294. We'll show you how much we believe in helping you and your customers.



Member FDIC

We believe in you.

Liberty National to Break Ground For 19-Story Mid-America Tower

LIBERTY NATIONAL, Oklahoma City, will be a partner in the construction and occupancy of the city's newest addition — the Mid-America Tower, to be located on Broadway between Main and Sheridan Avenue, across from Liberty Tower.

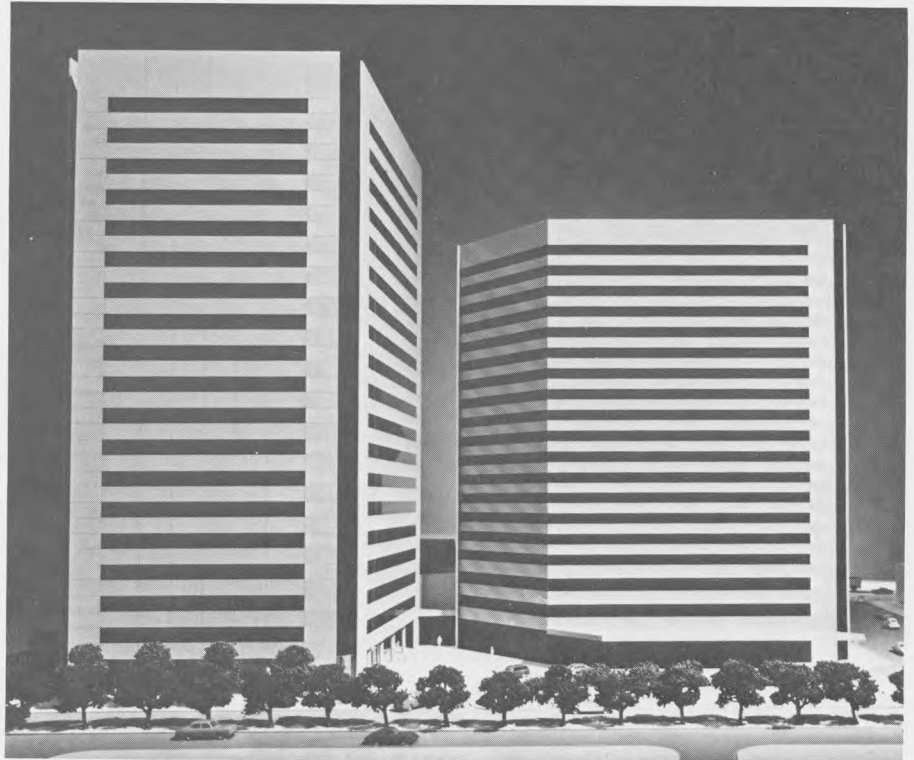
Ground-breaking ceremonies, pending final approval of the city's Urban Renewal Authority, are scheduled for September 3 for the 19-story office building.

The structure, which will contain 344,000 square feet of space, is expected to cost at least \$20 million. Primary tenants will be Liberty National, Devon Corp. and a local law firm. Occupancy is expected to be in early 1981. The bank's space will be in addition to its present facilities.

Mid-America Tower will rise from a rectangular base along Broadway and will be compatible in design with Liberty Tower. Exterior walls of the concrete and frame structure will be composed of alternating bands of exposed granite and dual-pane bronze glass windows. At the corners, reflective curtain walls will span the building's length. The building's horizontal and vertical banks of glass are designed to provide unbroken views of downtown from within, while allowing natural lighting around the building's entire perimeter and efficient energy usage.

Architect is S. I. Morris of Houston. He is associated with Benham-Blair & Associates, Inc., of Oklahoma City. Liberty National will be providing construction financing.

Plans for the complex, which will



Comprising Mid-America Plaza in downtown Oklahoma City will be (at l.) Mid-America Tower office building and adjacent 350-room, 19-story hotel.

anchor the eastern sector of the downtown area, call for the phase-two development of a 350 room, 19-story hotel and 600-car garage.

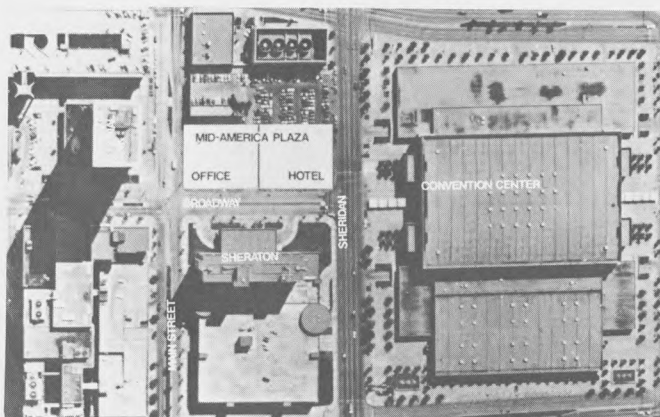
According to the complex developer, Vincent A. Carrozza, the garage will be built and operated by Central Oklahoma Transportation and Parking Authority.

"The ground-breaking date of September 3 is significant to us," says

J. W. McLean, chairman, Liberty National. "It not only marks Liberty's 61st anniversary, but it was also on the same date in 1968 (our 50th birthday) that ground was broken for Liberty Tower."

That 36-story structure, the city's tallest, was the first major downtown office building to be built under the Oklahoma City Urban Renewal Authority's Master Plan (The Pei Plan) and was the forerunner of the more than \$100 million of downtown redevelopment that has been completed during the last decade.

"It is gratifying to join Mr. Carrozza, the attorneys and Devon (Corp.) in again expressing a strong and growing confidence in the rebirth of our central city — now heralded across the nation as a model achievement," Mr. McLean says. ● ●



Aerial photograph shows proposed Mid-America Plaza across Main Street from Liberty Nat'l, Oklahoma City (at l.). Bank will be partner in financing and using new 19-story office building in addition to present facilities.

CHRISTMAS SPECIAL

TO: ALL BANKS & SAVINGS & LOAN ASSOCIATIONS

"A UNIQUE PROMOTIONAL PROGRAM"

WITHOUT COST TO YOU

The Bel-Air Company proposes to offer to your customers and your potential customers a FREE "8 x 10" natural color portrait of their family. This program is designed to improve customer relations and add new accounts. We provide advertising material plus trained personnel, you only furnish the location.

A FEW OF THE ACCOUNTS SERVICED BY BEL-AIR

Greensburg Deposit Bank
Greensburg, Kentucky

July 23, 1976

Mr. Fred Payne
Bel-Air Studios
2606 Dixie Highway
Louisville, Kentucky

Dear Mr. Payne:

We were greatly impressed by the promotional package made available to our customers through your studio. We were astonished by the response we received as it greatly exceeded our expectations. As you recall, we had to increase the daily hours each day and we used three more days than we had anticipated.

We especially appreciated the courtesy extended, not only to our bank, but to our customers by your studio and your staff.

The pictures were of excellent quality and everyone was highly complimentary.

Sincerely yours,
Richard Ronald
Richard Ronald
Executive Vice President
RR/juc

FNB
FIRST NATIONAL BANK OF YAFF

January 11, 1977

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

Gentlemen:

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.

Even though we were a bit skeptical at first, our employees were all delighted with the pictures. They were all done in a quality manner and we had few complaints from any of the participants. We would be very interested in having this promotion again sometime in the future.

Sincerely,
Roger Powell
Roger Powell
President
RP/alb

THE Corydon State Bank
NEW SALISBURY, IN 47161
347-2448

January 21, 1976

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

Dear Fred,

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. Froberich
Michael C. Froberich, Vice-President & Branch Manager
North Harrison Branch, Corydon State Bank
MCF/jea

American STATE BANK

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
W. C. McCullough
W. C. McCullough,
V.P. & Cashier
WMC/whc

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

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
M/Jh

THE BEL-AIR COMPANY
2606 Dixie Highway
Louisville, Kentucky 40216

- Please contact me, I'd like to discuss a portrait program.
- Please send me additional information on your program.

NAME AND TITLE _____

INSTITUTION NAME _____

ADDRESS _____

CITY _____

STATE _____

ZIP _____

PHONE _____



Board Meetings Made More Effective With More Effective BOARD REPORTS!

Here's a 200-page manual entitled BOARD REPORTS that will help your bank determine the "quantity and quality" of monthly reports needed by your directors so they, and management, can make proper decisions.

It is edited by Dr. Lewis E. Davids, editor of The BANK BOARD Letter, and sells for

\$22. Just ONE improvement in reporting procedures . . . just one BETTER decision made by your board can MORE than repay this small investment.

Well-prepared reports are a MUST to enable a board to identify its policy aims . . . to diagnose bank problems . . . to find solutions to these problems . . . to make choices regarding appropriate actions . . . to implement policy . . . and to evaluate the effectiveness of bank performance. Without adequate reports, a board lacks the information it must have in order to reach important decisions involving bank management.

This manual details the type of reports a

board should have in order to place pertinent information at directors' fingertips. It illustrates the various formats board reports can take . . . from oral to detailed graphic presentations.

It tells how moderate-sized banks can prepare reports that normally could be afforded only by giant banks. It tells how such reports can be combined with information gained from local sources to present a clear picture of the local and national economic situation . . . a picture vital to the establishment of policies that promote bank growth.

Included are examples of written reports most needed by bank directors who desire to create policies that lead to prudent bank management. In addition to material prepared by the author, contributions by well-known bank specialists are included.

Detailed information is present on such topics as effective reporting to directors . . . board reports to shareholders . . . the report of examination . . . bank liquidity and capital analysis . . . bank operating ratios . . . management reports to the board . . . loan reports . . . financial statement analysis . . . bank market performance . . . financial information for directors . . . AND MANY OTHERS!

To order your copy send your check for \$22.00 (add 4.6% sales tax in Missouri) to: **The BANK BOARD Letter, 408 Olive, St. Louis, MO 63102.**

(Advertisement)

**NOW! A DEPOSIT-BUILDING PROGRAM THAT'S
ALL NEW... Exclusive, TOO!**

The Only Multi-Function LCD Alarm Chronograph Watches With TRUE SOLAR CELL and DELIVERED ON TIME!

A superbly crafted time piece with quartz crystal that guarantees split-second accuracy of ± 5 seconds per month; the only watch with true solar cell and a Solar Rechargeable battery guaranteed by Mallory for three full years! Instantly tells hour, minute, second . . . month, day, date . . . has pre-set 24-hour alarm with snooze alarm and seven minute personal reminder repeat . . . multi-function chronograph system gives not only stop watch mode add time, but split time, lap time and twin time as well.

Our predecessor to this watch was so desirable, over 80,000 were sold in three months. And every one was **DELIVERED ON TIME!** In chrome or gold plate on forged hand-finished brass case with stainless steel back and band. Individually gift boxed. Priced to you at practically 50% off retail.

GEORGE W. LAMPING, President

AS affiliated services
7870A N. Babb Avenue Skokie, Il. 60077
(312) 679-1700



- Solar battery recharged automatically; guaranteed 3 years by Mallory
- Trouble-free
- Quartz crystal split second accuracy
- Electronic calendar; 24-hour pre-set alarm
- Multi-function true chronograph system
- **DELIVERED ON TIME!**

ALSO AVAILABLE

MATCHING men's and women's full function LCD Watches with stop watch mode, true solar cell and solar rechargeable 3-year battery guaranteed by Mallory.



don't miss the train! get on the right track for your next promotion!

OUR Bachmann HO electric train set is on its way. When you come aboard the Bachmann express, you are on the right track to develop *new and existing savings accounts*. Average deposit produced by this train program has been \$1,800; with most of it in *regular passbook savings!*

Remember, we have all the collateral material necessary to develop newspaper ads, statement stuffers, radio and TV commercials for YOU!

For more information call or write:

GEORGE LAMPING



affiliated services

7870A N. Babb Skokie, Illinois 60077
(312) 679-1700

creative ideas and
dependable services
since 1951

"THE BANKERS' HANDBOOK"

Edited by William H. Baughn and Charls E. Walker (former ABA exec.v.p.), this book is considered to be the most complete and definitive reference source covering current banking practices. It places the money knowledge of 90 of the country's leading bankers at the fingertips of the banker or bank director in a concise, analytical style. In it are the answers to most questions anyone would ask about banking.

Easy to use . . . contains 11 major sections . . . in 87 chapters. Over 1,200 pages! Every bank, every bank boardroom needs this reference book.

To order: send your check for \$35.00 (add 4.6% sales tax in Missouri) to: **The BANK BOARD Letter, 408 Olive, St. Louis, MO 63102.**

(Advertisement)

Gallup, Maxville Headline KBA Convention



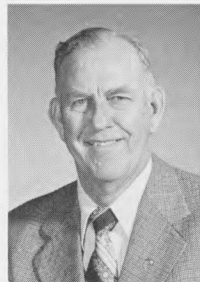
HOPE



SMITH



COLE



McCUISTON



HENSLEY

GEORGE H. Gallup Jr., president of the Gallup Poll based in Princeton, N. J., and Morgan Maxfield, a North Kansas City economist, headline the list of speakers slated for the 85th annual Kentucky Bankers Association convention, which will be held September 9-11 at Louisville's Galt House.

Also speaking at the convention will be C. C. Hope Jr., ABA president-elect and vice chairman, First Union National, Charlotte, N. C. Mr. Hope is expected to become ABA president the following month when the ABA meets in New Orleans.

Two Kentucky gubernatorial candidates, Louie B. Nunn and John Y. Brown Jr., and NABW President Esther H. Smith, vice president, Commerce Union Bank, Lebanon, Tenn., also are scheduled to speak.

Mr. Gallup's topic will be the Gallup Poll and how it reads the pulse of American public opinion, focusing on how people feel about commercial banks and the current economic situation.

Mr. Maxfield, who has built a reputation on being an economic pulse-

taker, will discuss the country's economic future.

Mr. Hope is expected to discuss the work of the ABA.

Convention registration is expected to be from 1 p.m. to 6 p.m. on Sunday, September 9, in the third-floor lobby, Galt House. The resolutions committee is expected to meet that afternoon, and the traditional Sunday evening reception is expected to begin at 6 o'clock.

Monday's activities will include a breakfast meeting of the KBA nominating committee, registration at 8:30 a.m., the first general business session in the Archibald Room at 9 a.m., the Kentucky luncheon at 12:30 p.m. and dinners for 50-Year Club members and past presidents at 6:30 p.m.

A \$1,000 Philip Morris Public Service Award will be given to a Kentucky bank at Monday's luncheon by the New York City tobacco company.

The annual breakfast will begin activities at 8:15 o'clock Tuesday and will be followed by a program of remembrance and second general business session, which will begin at 10:15 a.m.

Tuesday evening's events will begin with a pre-banquet reception at 6 p.m., followed by the 7 p.m. banquet, which will include entertainment and installation of officers.

Presiding at the convention will be KBA President Pat McCuiston, president, Planters Bank of Todd County, Trenton. Mr. McCuiston has been in banking for more than 20 years, all of them with his present bank and with his present title.

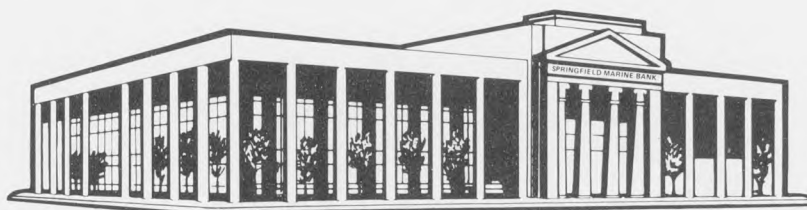
Scheduled to assume the KBA presidency is Vernon J. Cole, president, Guaranty Deposit Bank, Cumberland. Mr. Cole entered banking in 1949 at Harlan National. He was a member of the U. S. Air Force from 1951-58 and reentered banking in 1958 at Harlan National, where he became executive vice president in 1972. Also, he is chairman/president, Guaranty Deposit Bank, Cumberland.

KBA treasurer this year is Floyd T. Hensley Jr., chairman, Taylor County Bank, Campbellsville. He has been in banking 20 years, all of them with his present bank, where he became chairman, executive vice president/cashier in 1970. ●●

FOR
EVERY CORRESPONDENT
SERVICE IN CENTRAL ILLINOIS
IT'S THE

Springfield A TRADITION
Marine Bank
SPRINGFIELD, ILLINOIS OF SERVICE
OLDEST BANK IN ILLINOIS
ORGANIZED 1851
member f.d.i.c. • federal reserve system

PHONE (217) 753-6000



Springfield

MARINE BANK

1 East Old State Capitol Plaza
435 South Sixth Street
210 North Grand Avenue West
Member, F.D.I.C.

Anderson, Valeriani Set to Speak

At AMBI Convention September 19-20

A U. S. CONGRESSMAN, mayor and news correspondent are among the speakers scheduled to address the Association for Modern Banking in Illinois (AMBI) convention September 19-20 at the Continental Plaza Hotel, Chicago. The theme will be "The Future Challenge."

Keynote speaker is Representative John B. Anderson (R., Ill.), who will discuss "Our Energy Future." Peoria, Ill., Mayor Richard E. Carver will talk about "Our Cities' Future." Mr. Carver is president of the U. S. Conference of Mayors.

NBC News Diplomatic Correspondent Richard Valeriani will address "American Foreign Policy's Future."

An address on the "Future of Illinois Banking" will be given by William C. Harris, state commissioner of banks and trust companies.

Registration starts at 11 a.m. September 19. The first business meeting will begin at 1:30 p.m., presided over by AMBI President James B. Watt. He and AMBI Chairman William E. Weigel, executive vice president, First National, Centralia, will give an association update. A legislative report will be given by William D. Olson, AMBI vice president, government relations.

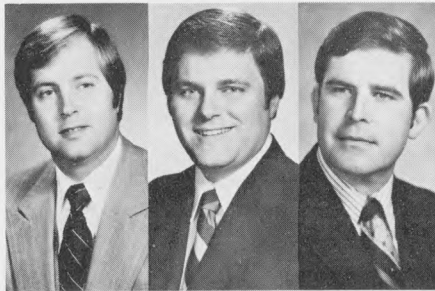
Panel members scheduled to be in the "Legislators Speak-Out" program are Illinois Senator Vince DeMuzio, chairman, Illinois State Senate Finance and Credit Regulations Committee, and Senator Prescott E. Bloom, minority spokesman of that committee; Representative John Leon, chairman, Illinois House of Representatives Financial Institutions Committee, and Representative Edward McBroom, minority spokesman of that committee.

A Loop bank annual reception will top off the first afternoon's activities.

Concurrent optional round-table discussions on banking's future will start at 2 p.m. September 20. Topics will include NOW accounts, spread management, ATMs (automated teller machines), executive compensation, loss control, FIRA and Regulation E.

A reception and dinner, which will include entertainment and dancing, will conclude the meeting.

Officers who served during the



OLSON

ROBERTS

WATT

1978-79 term included Mr. Weigel, president; William R. Wandrey Jr., president, Midwest National, Moline, and Richard M. Bishop, president, First Galesburg National — both vice presidents; John E. Brubaker, executive vice president, First National, Springfield — treasurer, and A. Andrew Boemi, chairman/president, Madison Bank, Chicago—secretary.

Effective July 1, Mr. Watt was named AMBI president by its board and Fred L. Roberts Jr. and Mr. Olson were promoted to vice presidents.

Mr. Weigel was named chairman and Loren Smith, chairman during 1978-79, was named immediate past chairman. Mr. Smith is chairman, United Bank of Illinois, Rockford. Messrs. Wandrey and Bishop were named vice chairmen.

"The reorganization of AMBI more accurately reflects the actual responsibilities of the staff and volunteer leadership of the association," Mr. Weigel said.

Mr. Watt had been executive vice president of AMBI since 1976. Before that time, he was senior vice president/consumer banking division, Essex County Bank, Lynn, Mass. Mr. Roberts has served as director of public information/education for AMBI since 1977. He had been manager of public affairs for the Peoria (Ill.) Area Chamber of Commerce. Mr. Olson joined AMBI in 1977 as director, government relations. Before then, he was government relations manager for a division of Household Finance Corp., Chicago.

Mr. Weigel entered banking in 1940 at First National, Centralia, and was elected an officer in 1945. He has been executive vice president since 1966.

Mr. Bishop entered banking in 1952 at Ohio Citizens Trust, Toledo, and joined First Galesburg National as president in 1971. Mr. Wandrey began his banking career with Northern Trust, Chicago, in 1964. He joined Midwest National, Moline, as vice president in 1970 and was elected president in 1972.

AMBI Treasurer Brubaker entered banking in 1962 at Continental Bank,

If you do business in Southern Illinois
and the Greater St. Louis Metropolitan area,
let us help you, we know the territory.

**Union
Bank**

OF EAST ST. LOUIS

200 Collinsville Avenue
East St. Louis, Illinois
(618) 271-1000/398-4800

MEMBER F.D.I.C.



WEIGEL WANDREY BISHOP



BOEMI BRUBAKER

Hancock Bank Breaks Ground For New Plaza in Gulfport

BANK OFFICERS of Hancock Bank broke ground this summer for construction of the new 15-story headquarters building, One Hancock Plaza, a self-contained business complex in downtown Gulfport, Miss.

The reinforced concrete building will include 246,000 square feet of space.

Scheduled for completion in late 1980, the plaza will include parks as well as offices, shops and a high-rise tower housing commercial offices and the bank.

One Hancock Plaza has been designed to fit into the architectural and social framework of the city, according

to Leo W. Seal Jr., President.

Mr. Seal said the tower has been placed away from the street and is surrounded with lower buildings, parks and gardens. Traditional design elements such as arches, colonnades and courtyards will be used to soften the effect of the tower's height, he said. Also, the outline of the plaza has been designed in the shape of the Gulf Coast shoreline.

Other bank executives at the ground-breaking ceremony were Donald E. Sutter, the bank's chairman, T. W. Milner, vice chairman, and Gulfport's mayor and commissioner. ●●

Chicago. He joined First National, Springfield, as vice president in 1974 and was named executive vice president in 1978.

AMBI Secretary Boemi entered banking in 1946 at First Federal, Chicago. He joined Madison Bank, Chicago, in 1957 and was named president, chairman/CEO in 1975.

Mr. Smith began his banking career in 1956 at State Bank, Kirkland. He left banking the following year to join the Chicago Association of Commerce and Industry and later joined the Atwood Vacuum Machine Co. in Rockford. He joined United Bank of Illinois, Rockford, in 1969 as president and was named chairman in 1977. ●●



This is artist's drawing of Hancock Plaza, future home of Hancock Bank, Gulfport, Miss.

COMMERCIAL BANKERS

Through our network of regional offices, conveniently located in the nation's money centers, we are fortunate to represent some of the nation's finest and fastest growing banks.

Currently we are engaged in a number of searches for experienced personnel in areas of Operations, Personnel, Commercial Lending, Installment Lending, Financial (Audit and Controller), Trust and Marketing. These openings, in a wide choice of locales, are from the entry level to President.

Starting salaries range from \$14-45,000. Send resume in confidence, including geographical and income requirements. All fees paid by employer.

HP don HOWARD / Personnel Inc

360 N. Michigan Ave., Chicago, IL 60601 (312) 332-2341
6350 LBJ Freeway, Dallas, TX 75240 (214) 233-9012

New York • New Jersey • Chicago • Atlanta • San Francisco • Dallas

An Executive Recruiting and Placement Agency for the Financial Community

● Dean S. Marriott has been named regional administrator/national banks in the Eighth National Bank Region (Memphis). Mr. Marriott has been acting regional administrator in the Seventh National Bank Region (Chicago) since November, 1978. He joined the Comptroller's Office in 1962 as an assistant national bank examiner in Kansas City and was commissioned a national bank examiner in 1967. In 1976, Mr. Marriott was reassigned to the special projects division, Washington, D. C. He was named deputy regional administrator for examinations in the Seventh National Bank Region in 1977.

A CD Plan Similar to Installment Loan

A PITTSBURGH BANK is advancing customers funds to buy 10-year CDs on terms similar to an installment loan.

The "Sure Future" plan allows a customer to purchase a 10-year CD with the bank's money, says R. W. Plumb, executive vice president, retail banking and bank operations, Equibank. "Sure Future combines the advantages of a certificate of deposit with that of regular savings," he adds. "Sure Future does not require the initial capital

that a certificate of deposit requires."

The customer repays the bank loan in monthly installments.

The savings plan is designed to meet specific customer needs such as providing for college education or retirement, he points out. "This is an attractive way to save for people who have a long-term financial goal. And Sure Future may provide federal income-tax advantages.

"But it requires a commitment to save for 10 years." Premature with-

drawal is possible, he says, "but Sure Future yields a positive return only if held to maturity." The CDs are subject to interest penalty for early withdrawal.

Sure Future accounts are available in amounts of \$5,000, \$10,000, \$20,000, \$30,000 and \$40,000. Equibank also offers credit life insurance to fulfill the savings goal in case of death. The plan was introduced in April. ••

St. Joseph Market Day Scheduled Sept. 12

ST. JOSEPH, MO. — First Stock Yards Bank and First National will hold their 23rd annual Market Day September 12.

John Anderson, president, Farmland Industries, Inc., will discuss the "Economic Outlook for the Farmer" at the 2 p.m. session at the St. Joseph Country Club. A panel discussion of present and future trends in livestock and grain marketing is scheduled for 3 p.m. and the day will be climaxed with a social hour beginning at 4:30 and a steak dinner at 6 o'clock.

Registration will begin in the banks' lobby at 9 a.m. and will be followed by a tour of the Wire Rope Corp. of America, Inc., in St. Joseph. A luncheon will be held at the Hoof and Horn Steak House. Afterward, there will be a report on the current day's market.

Communications Project:

Internat'l Image Launched In New Ad Campaign

Continental Bank, Chicago, has launched a worldwide corporate image advertising campaign for its international and commercial banking activities. The subjects integrated into the campaign, which will be appearing in major U. S. and international business publications, are hoped to satisfy specific division and departmental communications and substantiate the bank's overall diversity, responsiveness and position as a top bank worldwide.

The new campaign focuses on theoretical banking services of an international and corporate bank and explains in reality how Continental provides them.

The first of three advertisements appeared in May, discussing the bank's global network in domestic and foreign publications. The second shows Continental's European network and will be run in Europe and on a limited basis in this country. The last features the bank's industry specialization and is aimed at commercial markets in the U. S.

Future features include the international Asia/Pacific network and the fi-

financial team approach to serving the multinational market, correspondent banking, energy lending, commodities and agribusiness, shipping, cash management, construction, transportation and bond and money market services.

**DIAL A
DETROIT BANK·er
1-313-222-6190**

**YOUR DIRECT LINE TO
PROMPT, PERSONAL
CORRESPONDENT
BANKING SERVICES**

For knowledgeable, personalized
attention to correspondent
banking problems . . .

you ought to know a
DETROIT BANK·er better



**DETROIT
BANK
& TRUST**
Member FDIC

MUNICIPAL BONDS

TAX EXEMPTION

The major attraction of state and municipal bonds is their exemption from the federal income tax. While income from corporate bonds, stocks and other securities is subject to federal income taxes, the interest on municipal bonds is all take-home free money. Municipal bonds are especially appreciated by not only investors in the higher income tax brackets but are appreciated by all investors who want to save money.

It will be our pleasure to serve you and we ask that you give us a call or write us a note if you have the need for a good, sound investment of this sort.

K. R. ADAMS, Chairman of Board
JACK L. PERRY, President
NORMAN E. LEWIS, Vice-President, Secretary-Treasurer

ROBERT P. MILLER, Vice-President

GARY E. GREER, Vice-President

DONALD R. McDONALD
JACK C. DILLINGHAM
TIMOTHY MEYERS, Cashier

PERRY, ADAMS & LEWIS SECURITIES, INC.

Investment Bankers

1012 Baltimore Ave. / Kansas City, Missouri 64105

Phone 816/221-4090



ROBERTSON



CURRY



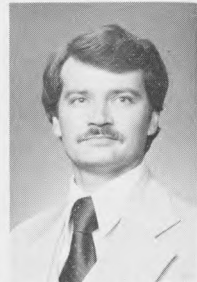
HANCOCK



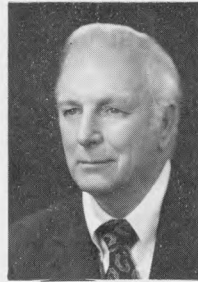
SCHROEDER



REED



ELLINGTON



SANGUINET

State's New Usury Law Heads Topics For Missouri Bankers' Regionals

MISSOURI'S new usury bill (SB 305), political action and the 1980 Missouri legislative program will headline the Missouri Bankers Association's 1979 regional meetings, which will begin September 4 in Kirksville and conclude September 13 in Columbia.

MBA President S. K. "Ken" Turner will speak at all sessions, as will Richard Mason, MBA director/governmental affairs. Robert Crawford, MBA executive vice president, and William Stephenson, MBA administrative vice president, are expected to attend several meetings. Mr. Turner is president, First National, Kirksville.

The Region One meeting will be held September 4 at First National of Kirksville's community room. Business session begins at 4:30 p.m., followed by social hour at 5:45 at Shamrock Inn and banquet at 7 o'clock at Northeast Missouri State University's student union. Most regional meetings will have approximately the same hours.

Region Two will meet September 5 at the Trenton High School library. Region Three will meet September 6 at Ramada Inn, St. Joseph.

Region Four will meet September 7 at the Radisson Muehlebach Hotel, Kansas City.

Region Five will meet September 10 at the Henry VIII Inn and Lodge, St. Louis County (Bridgeton).

Region Six will meet September 11 at the Holiday Inn, Cape Girardeau.

Region Seven will meet September 12 at Howard Johnson's Motor Lodge, Springfield.

Region Eight will meet September 13 at Ramada Inn, Columbia.

Regional Officers. John R. Hancock, vice president/cashier, Monroe City Bank, is Region One vice president. He entered banking in 1961 at Center State Bank and came to Monroe City Bank as cashier in 1964. He was named to his present position in 1970.

Region Two vice president is Ed Robertson, president, United Missouri Bank, Brookfield. He entered banking in 1968 at Citizens National, Chillicothe. He joined his present bank in 1975 as executive vice president and became president/CEO and director in 1978.

Larry Ellington, vice president, Farmers Bank, Gower, is Region Three vice president. He entered banking in 1973 at his present bank, where he became assistant cashier in 1974 and vice president in 1977.

Heading Region Four is Melvin Schroeder, vice president, Mercantile Bank, Kansas City. He entered banking at Mercantile Trust, St. Louis, in 1967 and went to his present bank in 1972 as vice president/correspondent banking.

Merle M. Sanguinet is vice president of Region Five. He is chairman/CEO, St. Louis County Bank, Clayton, a title he has held since 1975. He entered banking in 1936 at Mercantile-Commerce National, St. Louis. He joined his present bank in 1952 as vice president/installment credit.

Region Six vice president is Richard T. Reed, president, First Bank, East Prairie. He has spent his entire 19-year career at his present bank, where he became president in 1978.

George R. Curry is vice president of Region Seven. He is president/chairman, Central Bank, Lebanon. He entered banking in 1949 at his present bank, where he became president in 1963 and chairman in 1965.

Heading Region Eight is H. Duncan Edmiston, president, Rolla State.

Regional secretaries include the following: Region One — Glenn Miller, executive vice president, Canton State; Region Two — Richard Miller, president, Merchants & Farmers

1979 Regional Meetings

- Region 1 — September 4 — Kirksville
 - Region 2 — September 5 — Trenton
 - Region 3 — September 6 — St. Joseph
 - Region 4 — September 7 — Kansas City
 - Region 5 — September 10 — St. Louis County (Bridgeton)
 - Region 6 — September 11 — Cape Girardeau
 - Region 7 — September 12 — Springfield
 - Region 8 — September 13 — Columbia
-
-

Bank, Salisbury; Region Three — Donald D. Folks, vice chairman, Farmers State, St. Joseph; Region Four — James E. Smith, executive vice president, Union State, Clinton; Region Five — James W. Crismon, president, Irondale Bank; Region Six — James Moser, president, Bank of Poplar Bluff; Region Seven — Roy Cochran, executive vice president, First National, Neosho; and Region Eight — R. L. Himmelberg, president, Tri-County Trust, Glasgow.

Civic Leaders Attend Open House At Commerce-Manchester Bank

ST. LOUIS — Business and community leaders attended an open-house reception at Commerce-Manchester Bank in June. The bank, which joined the Kansas City-headquartered Commerce Bancshares system late last year, has undergone considerable renovation designed to provide additional working area.

The program provided space primarily for expanded commercial lending and new accounts departments. The bank now serves as the



Pictured at open house at Commerce-Manchester Bank, St. Louis, are (l. to r.): George T. Guernsey III, pres., Commerce Bank of St. Louis; John M. Murphy, CPA; Angela Mazzola, customer service officer, Commerce-Manchester Bank; J. Charles Clardy, sec.-treas., Metropolitan St. Louis Sewer District; and Albert F. Toczylowski, contr., INTRAV, Inc.



Talking together at Commerce-Manchester of St. Louis' open house are (l. to r.): Virginia Vinyard, Neighborhood Resource Center; Martin Mathews, Mathew Dickey Boys Club; and Marian Jones Rice, a.v.p./community affairs at bank.

base of operations for Commerce's management-training program in the St. Louis area. The bank's outside, walk-up teller station has been moved to the new addition and features a covered platform.

Commerce Bancshares is a statewide HC with 36 affiliates in Missouri and assets of approximately \$2.6 billion.

Businesses Get \$6½ Million From State's Only BDC

JEFFERSON CITY — First Missouri Development Finance Corp., Missouri's only statewide business development corporation, reports in excess of \$6.5 million in loans currently outstanding to 43 Missouri business firms.

According to Jerry Stegall, executive vice president, the corporation has, during its 9½ years of operation, authorized \$25 million to boost economic development in Missouri. Some 67 firms, representing nearly every county in the state, have received financial assistance that resulted in creating and retaining employment for Missourians.

First Missouri is directed by a 15-member board comprised of bankers and industrialists from each of the congressional districts in the state. As a private corporation, it receives financial support through investments by 199 shareholders (made up of business firms, utilities, insurance companies, banks and individuals) and lines-of-credit pledged by 231 member banks.

Mr. Stegall reports that loan requests for business acquisition, construction, expansion and operating capital are received by the corporation on an average of 11 per week.

Of 25 BDCs in neighboring states reporting to the National Association of Business Development Corporations, First Missouri ranks sixth in lending operations as to amount of dollars extended during 1978 and eighth in number of firms assisted.

■ WILLIAM D. EBERSOLE has joined Bank of Poplar Bluff as a vice president. He formerly was with the FDIC as examiner in charge of state-chartered banks in a 14-county area in southeast Missouri.



Call Us First (417) 624-1234

Arkansas, Kansas, Oklahoma
or Missouri . . .
for all correspondent services,
we're the one.



**FIRST NATIONAL BANK
& TRUST COMPANY OF JOPLIN**

Fourth & Main / Joplin, Missouri
Member First Community Bancorporation
Member F.D.I.C.



NEEDING AN INDEPENDENT AUDIT?

**APPROVED AUDITORS UNDER
ABA CONTROLLED GROUP
BONDING PLAN**

Also Offering Assistance in
BANK SALES
BANK APPRAISALS
FEASIBILITY SURVEYS

JOHN W. RIDGEWAY & ASSOCIATES
Banking Consultants and Auditors

909 Missouri Blvd., P.O. Box 1242
Jefferson City, Mo. 65102
314-635-6020

New Missouri Bank

Santa Ana Bancorp., St. Ann, Mo., has received Fed approval to open a new bank at the Twin Tower office building, southwest corner of Woods Mill Road and Highway 40 in west St. Louis County.

The bank, which will open September 4, will be called Woods Mill-Forty Bank and will have an initial capitalization of \$1.5 million.

Richard J. Pflieger, president/chairman, Bank of St. Ann, is the principal organizer of the new bank. Santa Ana Bancorp. is the HC of Bank of St. Ann.

The president/CEO of the new bank will be Richard R. Bacon, who has been with Bank of St. Ann since 1978. Mr. Bacon entered banking in 1969 at Mercantile Trust, St. Louis, and had been vice president of its correspondent banking division before affiliating with Santa Ana Bancorp.

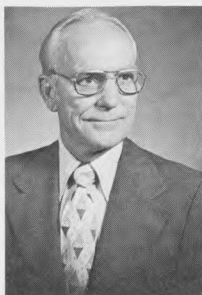
■ JAMES J. LANNING has been elected an advisory director of Mercantile Bank, Kansas City. Mr. Lanning currently is chairman of Red Bridge Mercantile, Kansas City, and senior vice president of Mercantile Bancorp., St. Louis.

■ MICHAEL BRAUDE has been elected president and director, Empire Bank, Kansas City. Mr. Braude formerly was executive vice president, American Bank, Kansas City.

■ DONALD E. ERIE has joined the staff of Merchants Bank, Kansas City, as senior vice president, trust division. Mr. Erie had been with First National, Kansas City, most recently as vice president and personal trust administrator.

Edgar H. Crist Resigns

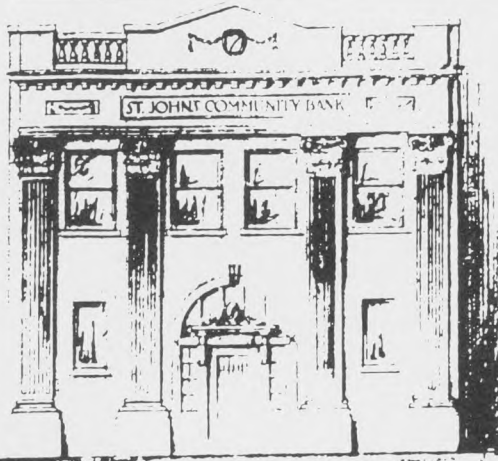
Edgar H. Crist resigned last month as Missouri commissioner of finance, effective August 31. He plans to join United Design & Engineering, Inc., St. Louis, as a director and financial consultant. Mr. Crist was named to the finance-commissioner post in 1977 after retiring as v.p. from the St. Louis Fed, where he spent 35 years. For the last 29 of those 35 years, he was in the commercial-examination area.



SHARING IDEAS . . .

Bankers are known for their willingness to share knowledge, solve common problems and discuss issues.

The MBA regionals give bankers that forum. Besides the formal meeting, much can be gleaned from the informal contacts and conversations. Support your region meeting with your presence and share your ideas!



We are a community bank ...and proud of the reliable service we've provided since 1926. Our "new building" in 1929 cost \$30,000...and was lauded as one of the most beautiful in St. Louis County!



...getting bigger to serve better

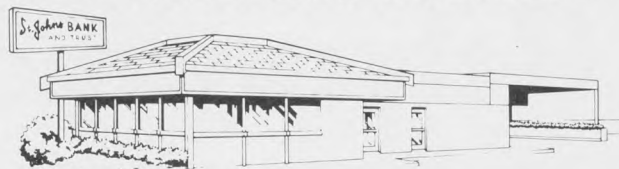


Main Bank
8924 St. Charles Rd.



Mini-Bank
9229 Natural Bridge

VISIT OUR NEW FACILITY...



3580 WOODSON RD.

St. Johns
BANK & TRUST
COMPANY

MEMBER F.D.I.C.

The Solid Place to Bank

428-1000

8924 St. Charles Rd. • St. Louis, MO 63114
9229 Natural Bridge • St. Louis, MO 63134
3580 Woodson Road • St. Louis, MO 63114



Georgia Smith Funds Management Officer

Jo Willems Customer/Correspondent Service Officer

Fed Funds and Wire Transfers: **Rely on our Experts**

In today's fast changing money market, you need immediate answers and prompt attention when it comes to making profitable investments. That's why we have people like Jo Willems and Georgia Smith, First National's specialists in processing your Federal Fund transactions.

So think of Jo and Georgia as your direct line to reserve balances, to secure rate information and to handle Fed Funds and

wire transfers. They're here to give you the assistance you need, when you need it.

Fed Funds Services...just a part of the total package of ser-

vices you enjoy in a correspondent banking relationship with First National Bank of Hutchinson. We have the experts who will do the job right.



First National Bank of Hutchinson

(316) 663-1521

Member FDIC

MID-CONTINENT BANKER for August, 1979

At Regionals Next Month:

Marketing Transaction Accounts Slated for Kansas Program

MARKETING transaction accounts and salesmanship will take the spotlight at the annual series of regional meetings of the Kansas Bankers Association next month.

Addressing the CEO session will be Carl C. Nielsen, chairman, College of Business Administration, Wichita State University, who will discuss "Marketing Transaction Accounts in 1979 and 1980." Other officers and staff will have a session on "Salesmanship: It's What You Make It!" to be given by Kent Stickler, executive vice president, Financial Shares Corp., Chicago.

Trish Faulkender, training director, Financial Shares Corp., also is scheduled to speak at the regionals.

During the first week of regionals — September 18-20 — humorist Charles Jarvis, San Marcos, Tex., will be the featured banquet speaker at Regions One and Two. Speaking at Regions Three, Five and Six will be Doc Blakeley, Wharton, Tex. Joe Griffith, Dallas, will be banquet speaker at Region Four.

In addition to the scheduled speakers, Regions Three through Six will have a panel on the "Effects of Proposed Rail Re-Regulation on Your Bank" during their CEO sessions. It will be headed by W. E. Drenner, chairman, KBA Commerce and Industry Commission.

Each regional will be opened with an agricultural key-banker luncheon at 11:45 a.m., followed by registration at 1:15 p.m. and general sessions from 2-5 p.m. A social hour is planned for 5:15 p.m. and a banquet at 6:30, except at the Wichita regional, which will hold its social hour at 5:45 and banquet at 7 o'clock.

Regional Officers. Heading the KBA regions this year are: *Region One*, Eugene Barrett Jr., chairman, Kaw Valley State, Kansas City; *Region Two*, Gerald W. Barnard, president, First National, Oswego; *Region Three*, Gary Padgett, president, Citizens National, Greenleaf; *Region Four*, Mahlon C. Morley, president, Valley State, Belle Plaine; *Region Five*, Richard H. Zimmerman, chairman/president, First

First Week

September 18 — Region Three — Manhattan — Kansas State Union's Forum Hall.

September 19 — Region Two — Chanute — Neosho County Community Junior College's Administration Bldg.

September 20 — Region One — Overland Park — Glenwood Manor Convention Center.

Second Week

September 25 — Region Four — Wichita Hilton.

September 26 — Region Six — Garden City — Garden City Community Junior College's Fine Arts Building Lobby

September 27 — Region Five — Hays — Fort Hays State University's Memorial Union Ballroom.

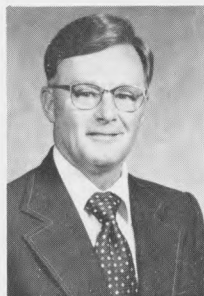
Regional Vice Presidents



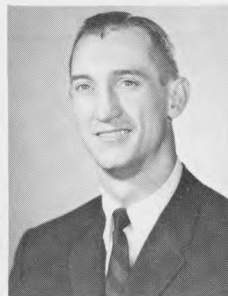
BARRETT



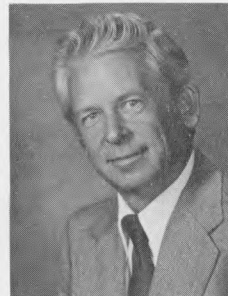
BARNARD



OLIVER



PADGETT



MORLEY



ZIMMERMAN

Bank, Salina; and *Region Six*, Dale E. Oliver, president, Security State, Great Bend.

Mr. Barrett entered banking in 1963 at Kaw Valley State. He was named assistant vice president/assistant cashier in 1967 and moved up to his present position in 1979.

Mr. Barnard has spent his entire career, since 1955, with First National, Oswego. He was named vice president in 1955 and moved up to his present position in 1967.

Mr. Padgett, too, entered banking in 1955, at Fourth National, Wichita.

He joined his present bank as a vice president in 1960 and became president in 1964.

Mr. Morley entered banking in 1957 at First National, Chanute, where he had been an executive vice president/director before joining his present bank in 1966 as president.

Mr. Zimmerman entered banking in 1953 at First National, Harper. He joined his present bank as president/chairman in 1967.

Mr. Oliver entered banking in 1949 at Citizens State, Eldorado. He joined his present bank in 1961 as vice president and became president in 1977.

No Cure-All

(Continued from page 6)

products such as hay. Because of the shortage of the binder twine, the farmers were unable to harvest some of their hay. This, in turn, related to shortages of that product and an adverse impact on animal feed. Naturally, a black market developed with its attendant under-the-counter payments and bypassing of normal distribution, setting the scene for tax evasion and a pervasive climate of corruption.

It was truly a learning experience to see how much damage a program could do, though the program was well intended. One of the sad things about the situation is the illusion official records may give to future students of the subject. They will find that, on the record, prices remained relatively stable. At the time, however, one could have learned the unrecorded facts of the matter by simply going to a butcher to buy a standard cut of meat, say a "T" bone steak, at the official price. The butcher's response would tell the tale that at the official price, he did not have any on hand to sell.

No Uniform Enforcement

Incidentally, there was only one OPS agency, but there were regional offices, and there was *not* uniform enforcement of regulations. Senator Proxmire need only look at the lack of uniform enforcement in interpretations of the Internal Revenue Service (a single agency) to be able to recognize that bringing the three federal bank regulators into a single agency will not result in uniform enforcement. Stated even more bluntly, banking literature often refers to *the* discount window of the Fed. The inference has been that all 12 Fed banks operate the discount window with the same degree of restraint. Knowledgeable bankers know that this is not always so.

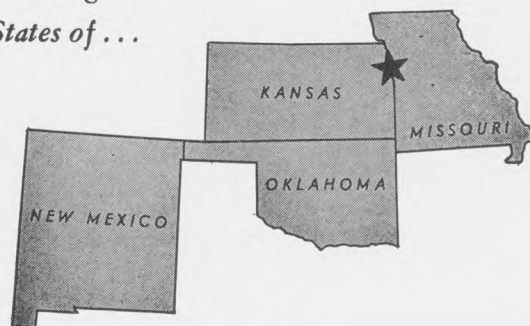
Again, Senator Proxmire has good intentions, but the result of proposed agency consolidation is debatable in the real world.

Perhaps the greatest concern involving a single consolidated bank regulator at the federal level is the possibility of abuse of power. Power corrupts, and absolute power corrupts absolutely. The more power permitted any one federal agency, the more likely that the head of the agency will respond along political lines. Already we

Municipal Bonds

Exclusively

*Specializing in
the States of . . .*



and

ALL GENERAL MARKET BONDS

Your "Correspondent" for Municipal Bonds

ZAJNER AND COMPANY

Investment Bankers • Municipal Bonds

ONE TWENTY SEVEN WEST TENTH

KANSAS CITY, MISSOURI 64105

(816) 221-4311



*Sure, this gasoline shortage is serious stuff.
But, if you really believe in the Regional Meetings, you'll
find some way to get to all them—we have.*

See you there!



SECURITY NATIONAL BANK

OF KANSAS CITY

One Security Plaza
Kansas City, Kansas 66117
Dial Direct—913-281-3165

have seen numerous decisions by bank regulators made along political lines — decisions in which the regulators were exercising subjective judgments in contentious social areas. The regulators hold that their social perceptions should be implemented by banks. These social perceptions involve lower earnings on bank assets as well as increases in substandard assets.

One means of reversing the undesirable trend in bank regulation is simple, draconian and improbable, but suggested here. That is a cut, say, of 10% in budgets of each of the agencies. Such a cut would force each of the agencies to re-evaluate priorities they now hold. A cut should force the regulators to compare the costs to the benefits of many of their actions. At least 10% of what bank regulators have been doing has negative ramifications. Faced with a bare-bones budget, bank regulators would have to weigh the time and effort they have been expending and revise priorities. The result should be the establishment of objective criteria and a decrease in subjective methodology. We don't need "more of the same"; rather, we need less, but more meaningful, regulation based on fundamentals that include meeting needs and public convenience in a safe and sound banking tradition. • •

Mrs. Elwood Marshall Dies

EUREKA — Kathryn R. Marshall, 63, wife of former Kansas Bankers Association President Elwood Marshall, died recently. Within two weeks, Mrs. Wilbur E. (Mary H.) Marshall, 68, wife of Mr. Marshall's brother, also died.

Elwood Marshall is chairman/CEO, Home Bank here, and just completed a year as chairman of the KBA governing council. He headed the KBA in 1977-78.

Wilbur Marshall retired as an active vice president of Home Bank in 1971, but is still on the board. He also once was a state representative in the district serving Eureka.

JOHNSON



■ HUTCHINSON NATIONAL has promoted Dean K. Johnson from vice president, agricultural loan and correspondent bank department, to senior vice president, and Leonard M. Dooley was promoted from customer services officer to vice president. K. Glenn Ivey has joined the staff as vice president, personal loan department. Mr. Ivey was previously with First National, Wichita, in the personal loan department.

Employee Benefits

(Continued from page 12)

dental-assistance plan for correspondent banks. This plan places great emphasis on preventive care.

MHT's employee-benefit program for correspondent banks allows banks to compete with industry by offering comparable benefits at competitive prices. They also afford correspondents the opportunity to draw on the many resources of a large organization for information on legislation, industry trends or tax ramifications.

What is on the horizon for benefits in the banking industry? The cost of presently offered benefits will not decrease. Health-care costs alone have skyrocketed and, in turn, drastically affect insurance premiums. In an effort to curb these expenses, employers are sharing a larger part of the costs with their employees. The philosophy is that this action not only lessens an employer's cost, but makes an employee

more aware of the expenses of benefit programs.

Dental insurance is today's fastest-growing employee benefit. The number of employees covered by dental insurance rose from 6.9 million in the late '60s to 35 million in 1976 to 54 million last year. Currently, 60 million are covered, with projections of 70 million in 1980 and 95 million by 1985.

Health-maintenance organizations (HMOs) have been in the wings for the past few years, but now are taking hold. Legislation requires that an employer offer this option when a qualified HMO exists in its geographic area. As more HMOs become qualified, use of them will increase. Here, as with dental insurance, the emphasis is on preventive treatment.

Other benefits being discussed more and more are optical insurance, prescription-drug plans and group legal insurance. These will come into being slowly as employers feel pinched for more dollars being spent. The recent increase in social security taxes and the minimum wage has hit employers hard. The increase is of concern, but thoughts of what the future may bring are of greater concern. With this proliferation of benefits and rising operations costs, it seems just about impossible for an employer to be able to satisfy completely his employees' needs.

Looking to the future, we foresee a system that will allow an individual employee to tailor-make his own compensation package as one answer to meet these particular needs. This cafeteria style of fringe benefits is beginning to be used by some major corporations throughout the country. Research clearly shows that what is a valued benefit to one employee not always is a valued benefit to another. For example, young unmarried men want more vacation time, while young married men are willing to give up vacations for higher pay. Older employees want greater retirement benefits, while younger employees usually want more cash. This approach permits an employer to establish a complete program of employee benefits and then



JOHN STRUBE



MACS

makes banking more profitable for you!



MAX DICKERSON



COMMERCIAL NATIONAL BANK

6th and Minnesota Ave. • Kansas City, Kansas 66101 • Member F.D.I.C.

Investment Services Since 1890

UNDERWRITERS—DISTRIBUTORS—DEALERS

STIFEL, NICOLAUS

SN

& COMPANY INCORPORATED

MEMBERS NEW YORK STOCK EXCHANGE, INC.
AMERICAN STOCK EXCHANGE, INC.
MIDWEST STOCK EXCHANGE, INC.

500 North Broadway, St. Louis, Mo.
(314) 342-2000.

Private Wires to M. S. Wien & Co., Inc., Jersey City,
and Asiel & Co., New York City.

CONTACT OUR OFFICE MOST CONVENIENT TO YOU:

KANSAS CITY, MO
Leawood Corporate Manor Bldg.
4701 College Blvd.
Leawood, Kansas 66211
913-381-7181

ST. LOUIS, MO 63102
500 N. Broadway
314-342-2000

LOUISVILLE, KY 40270
201 West Main St.
502-587-6053

OKLAHOMA CITY, OK 73102
Suite 130 Century Center
100 West Main Street
405-235-5700

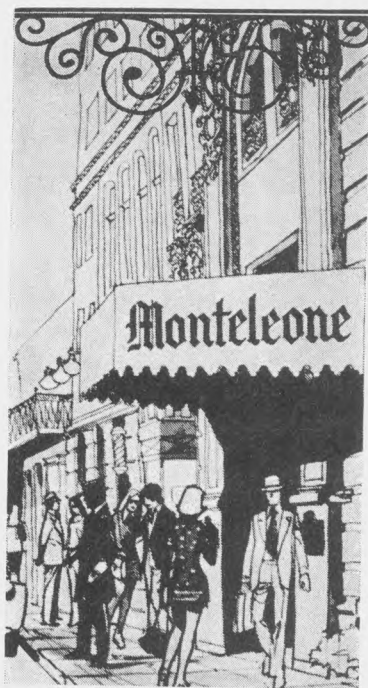
TULSA, OK 74104
1924 South Utica
918-743-3361

WICHITA, KS 67202
111 South Main
316-264-6321

ST. LOUIS • ALTON • CHICAGO • CHICAGO HEIGHTS
CLAYTON • COLUMBUS • DENVER • IOWA CITY • KANSAS CITY • LOUISVILLE • MEMPHIS
MILWAUKEE • MOLINE • OKLAHOMA CITY • TULSA • WICHITA



The Magnificent Monteleone



IN NEW ORLEANS

The MONTELEONE is "a way of life" . . . the largest Hotel in the fabulous French Quarter. 600 luxurious Rooms and Suites—a Roof top Swimming Pool—the French Cuisine of the Supper Club Restaurant—the revolving Carousel Bar and the sidewalk atmosphere of Le Cafe Restaurant. Located just one block from famous Bourbon Street—minutes from International Trade Mart and Rivergate Exposition Center.

A WORLD OF SERVICE

- 3 Cocktail Lounges—2 superb restaurants • Radio-Color TV in every room • Garage in Hotel • Swimming and Wading Pools • Putting Practice Green • Variety and Gift Shops • Complete Valet • Barber Shop • Beauty Salon • Car Rentals • Sight-Seeing Tours

MEETING FACILITIES

The ultimate in Convention, Sales Meeting and Banquet facilities—to serve 15 to 1,380 people. Ideal for dinner-dances and exhibits alike.

YOU KNOW YOU'RE IN NEW ORLEANS WHEN YOU'RE AT

The Monteleone

214 RUE ROYALE
NEW ORLEANS, LOUISIANA 70140
Phone: 504/523-3341

For further information and brochure
Write Dept. RH Sales.



lets the employee select from the total benefits package only those benefits he really wants — increasing certain types of coverage, reducing others and eliminating those he believes he really doesn't need.

Banks will have to keep abreast of trends to remain competitive. Equally as important will be the task of major banks, such as MHT, to offer their correspondents opportunities to ensure their own employees a standard of excellence in benefits while maintaining realistic costs. ••

■ JAMES C. SIMON was elected vice president responsible for automated customer service at First National, Wichita.

■ MAX H. DECKER has been elected senior vice president at Kansas State, Wichita. Mr. Decker will have responsibility for loan administration for the commercial, real estate and installment loan departments. Mr. Decker was vice president and loan administrator at First National, Phoenix.

New Lenexa Bank

LENEXA — William R. Mills has been elected president of the new Country Hill State, soon to open here. Phillip J. Hammond will be vice president/cashier.

Mr. Mills is a former Missouri banker, having been chairman/president/CEO, Missouri State, Sedalia, and vice president, Boone County National, Columbia. Mr. Hammond formerly was cashier/operations, Mark Plaza State, Overland Park. He entered banking at Citizens National, Emporia.

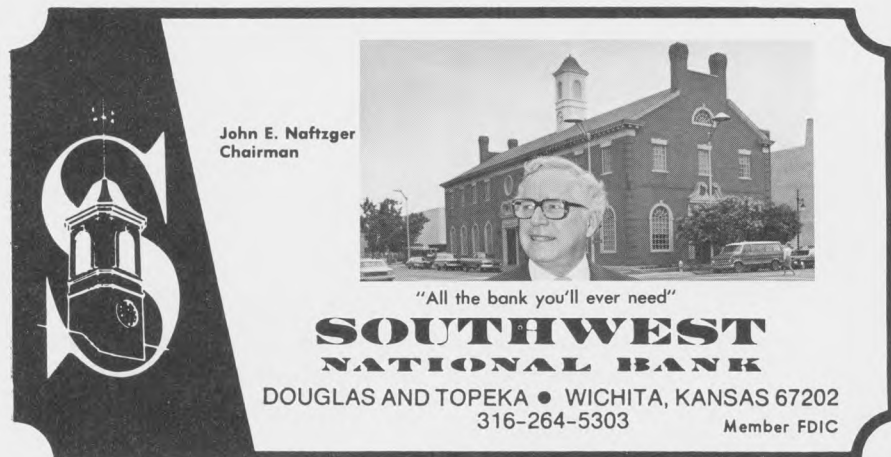
Regular Passbooks Continue As Most Used Accounts, Financial Researchers Show

PHILADELPHIA — A nationwide market research firm specializing in the financial services industry has concluded regular passbooks continue to be the most widely used savings service, used by more than four out of five households. Other findings were credit union share accounts are held by about one-third of the respondents, while more than one-fourth own savings certificates. Savings clubs and statement savings accounts each are used by approximately one household in five, and only about one in seven has a high-interest passbook account.

The study was conducted in late 1978 by the A. J. Wood Research Corp., and its findings were based on a representative cross-section of about 2,500 households in the United States.

The survey also reports on types of institutions used for each service. Commercial banks hold the largest number of regular passbooks, savings clubs and statement savings accounts. S&Ls have the largest share of savings certificates and high-interest passbooks. Variations exist among these breakdowns depending on population subgroups.

Complete results, including data on usage of credit cards (by card name), payment services (checking, money orders and travelers checks), loans, investments and other financial services, will be published in four volumes. The first volume of "Consumer Banking Behavior" now is available from the firm.




John E. Naftzger
Chairman

"All the bank you'll ever need"

SOUTHWEST NATIONAL BANK

DOUGLAS AND TOPEKA • WICHITA, KANSAS 67202
316-264-5303 Member FDIC



Let's get right to the point...

It's that bottom line you're interested in. And so are we. There are many areas in which our professional correspondent bankers can help, and we welcome the opportunity to prove our worth.



Dean
Johnson



LuAlan
Willems



Dean
Thibault

*profitability
is the
name of the
business*



Hutchinson National
bank and trust company

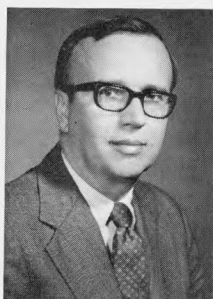
ONE POLARIS PLAZA, HUTCHINSON, KANSAS
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS

From the Mid-Continent Area

Alabama

■ **FIRST NATIONAL**, Birmingham, has promoted William A. Powell Jr., executive vice president, to chief administrative officer responsible for the banking services/marketing division, operations/administration division and the personnel department. Mr. Powell also has been elected a member of the board. Richard E. Anthony has been promoted to executive vice president, loan division, and Michael G. Gyrko has been promoted to executive vice president, operations/administrative division.



POWELL



PENNINGTON

■ **RICHARD M. PENNINGTON JR.**, senior vice president, marketing, of First National, Mobile, and vice president, marketing of First Bancgroup-Alabama, has been elected senior vice president/governmental relations, Sales and Marketing Executives-International.

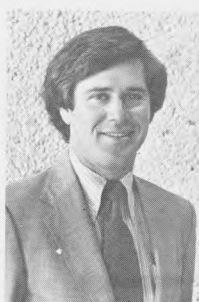
■ **FIRST NATIONAL**, Mobile, has added Robert E. Lee to the staff as an assistant vice president. Mr. Lee was formerly a banking officer at Trust Co. Bank, Atlanta.

Arkansas

■ **WORTHEN BANK**, Little Rock, has promoted Raymond Mitchell, William Scholl and Richard Smith to vice presidents. Mr. Mitchell will manage automated financial information systems; Mr. Scholl is a commercial loan officer, and Mr. Smith is a traveling officer in the correspondent division. Mattie Agee, John Grillo, Robert Jordan, McKinsey Piggee,

Carol Smith and Jessie Vinson have been promoted to assistant vice presidents. Mrs. Agee is assistant to the manager of the account service department; Mr. Grillo is manager of loan review functions; Mr. Jordan is director/coordinator of activities in installment lending; Mr. Piggee is day-shift production manager, and Miss Smith is manager of the exceptional items department.

SMITH



■ **D. EUGENE FORTSON** has resigned as senior vice president and director of marketing of First Arkansas Bankstock Corp., Little Rock. Mr. Fortson will be executive vice president and a principal stockholder of R. D. Doubleday Co., Little Rock, a research and marketing consulting firm.

■ **COMMERCIAL NATIONAL**, Little Rock, has announced the promotions of Martha Mason and Ralph Munday to vice presidents. David Wilcox, vice president, financial division, was promoted to vice president and controller. Edd Lightner, John Lopez, Kenneth Miller and Linda Nicholson have been promoted to assistant vice presidents. Mrs. Mason is in the correspondent banking department.

Illinois

■ **CONTINENTAL ILLINOIS NATIONAL**, Chicago, has promoted Patricia D. Murlas, banking officer, international banking services, and Carlos J. Netto, Nancy L. Kosobud and Lawrence D. Wickter Jr., banking officers in multinational banking services, to second vice presidents.

■ **NORTHERN TRUST**, Chicago, has promoted to second vice presidents (banking department), Carol

Hall, middle states division; Jon C. Hunt and Susan H. Griffiths, bank and corporate services division; Quentin C. Johnson, central division, and J. Scott Lafferty, finance division. In the trust department, David R. Gardner, investment management division, and Loren R. Miller III, employee benefit funds division, also were appointed second vice presidents. The board has appointed William D. Naftzger vice president in the employee benefit funds marketing division, where he will specialize in the sale of investment services.

■ **BELLEVILLE NATIONAL SAVINGS BANK** has announced stockholder approval of formation of a bank holding company under the name of Mid-Continent Bancshares, Inc., and merger of Belleville National Savings Bank into Belleville National.

In other action, Eugene E. Fincke was elected chairman of the executive committee, and Ellen M. Hayden was named secretary to the board and continues as assistant vice president and administrative assistant. Ronald L. Watson was promoted to senior vice president and Rose Marie Fitzgerald was promoted to assistant cashier.

■ **MADISON PARK BANK**, Peoria, has appointed Larry L. Kingston vice president and cashier. Mr. Kingston most recently was associated with State Bank of Cuba.

Work Begun on Drive-Up Facility



Work has begun on a new drive-up facility for Washburn Bank. The facility is located across the street from the bank's Main Office on Jefferson Street and will feature two covered drive-up lanes and an adjoining parking area. The project is under the direction of Bunce Corp., St. Louis, and is expected to be completed by the end of the year.



At last, a look at the unheard-of: an actual overline ad.

You may have noticed that not many banks exactly advertise the fact that they offer overlines to their correspondents.

But Continental Bank does. In fact, we're running this ad to make a bid for overlines—from our correspondent banks, and from a lot of other banks we'd like to have as correspondents.

We have a simple approach to each overline request we get: if our correspondent values a customer enough to lend its legal limit, we think its overline deserves some pretty serious consideration on our part.

At Continental Bank your credit requests don't go from committee to committee to committee. They go to your account manager—one officer who has the authority to say "yes" or "no" on most loans. So you get your decision fast—direct from the person who made it.

Call John Tingleff at 312/828-2191 with your request. If we can get together with you over an overline, Continental might just become more important to you overall, as a correspondent. And that's exactly what we're trying to do.

We'll find a way.



CONTINENTAL BANK
231 SOUTH LA SALLE STREET, CHICAGO, IL 60693

Continental Illinois National Bank and Trust Company of Chicago.

Indiana

■ **STATE BANK**, Rensselaer, has promoted Donald P. Steiner to senior vice president and trust officer. Jack G. Shearer has been made vice president and branch manager. Marvin E. Nesius has been promoted from assistant vice president to vice president and farm loan officer. David A. Schumaker, who was assistant vice president and cashier, has been promoted to vice president and cashier. Richard J. Dunn was elected auditor/compliance officer.

■ **LINCOLN NATIONAL**, Fort Wayne, announced Stephen D. Smith has been promoted to assistant vice president. Mr. Smith was a loan officer in the installment loan department. Steven P. Piekarski has been made assistant cashier. Mr. Piekarski is manager of the bank card services center. Rex D. Scott has been promoted from tax accountant in the estate and trust department to assistant trust officer.

■ **NATIONAL BANK OF GREENWOOD** plans to construct a new branch in the Greenwood Park Shopping Center. The new 5,000-square-foot facility will be free-standing rather than being located in the mall, for customer convenience. There will be ample parking and four drive-in banking lanes. The Anytime Banker ATM will be moved there from the existing building to continue serving customers 24 hours a day, seven days a week. Construction is expected to be completed by the first of the year.

■ **MERCHANTS NATIONAL**, Indianapolis, has promoted Thomas R. McCart from assistant vice president to vice president; Linda K. Howarth from assistant cashier to assistant vice president, and Joseph F. Christian and Laura A. Bonsett to assistant cashiers.

Kentucky

■ **LOUISVILLE TRUST BANK** has elected six vice presidents. They are Joseph Brenner, metropolitan division, commercial banking group; James E. Bryan Jr., marketing planning division; M. Thomas Clausen, data processing division, administration group; Lawrence K. Foley, employee benefit department, trust group; James H. Gray, national/regional division, commercial banking group, and Douglas P. Neal, tax department, trust group. Nine have been

promoted to assistant vice presidents: Norman D. Carrico, retail banking group; Jack M. Combs, trust group; James J. Eisenmenger, trust group; Gary S. Howlett, commercial banking group; Norman E. Lansford, administration group; Alan D. McGraw, retail banking group; Harry T. Richart III, retail banking group; Robert K. Schreiner, personnel department, and Donna M. Wieber, administration group. Jane L. Bateman and Robert R. Gray have been made assistant treasurers in the retail banking group, and R. Michael Slaven has been made a trust officer.

■ **FIRST SECURITY NATIONAL**, Lexington, has promoted Julian E. Beard from first vice president to senior vice president in charge of financial services and operations. Louise Burk, loan administration operations, and Joyce M. Gabbard, demand deposit accounts processing and information, have been promoted from assistant vice presidents to vice presidents. Allene S. Taylor has been appointed operations officer, installment loan operations, and Michael D. Harper has been appointed assistant cashier, banking offices.

■ **GARY L. BROADY** has joined Citizens National, Bowling Green, as compliance loan review officer. Mr. Broady was with the CPA firm of J. C. Holland and Co.

Louisiana

■ **FIRST NATIONAL BANK OF COMMERCE**, New Orleans, has announced promotions of Harold G. Buoch, manager, St. Charles Branch, to vice president; Joseph J. Inzinna to vice president, executive banking, and J. Charles Freel Jr. to vice president, national accounts. Four new assistant vice presidents include R. Hunter Pierson Jr. and Bryan D. Weiser, national accounts; Mary C. Roig, bank operations, and Thorriell T. Betz, manager, Tulane Avenue Branch. Other officers promoted were Phyllis M. Dimaggio, Joseph G. Kimble Jr., Joseph E. Young, Kenneth L. Lavender, to banking officers and Clynord B. Hansen to retail banking officer.

■ **FREDERIC J. CANTRELLE** has been promoted to assistant vice president, commercial loans, at Liberty Bank, New Orleans.

■ **CITIZENS BANK**, Thibodaux, has announced promotions to vice presidents of Rita H. Boyer, bank auditor,

and Mark J. Pitre, manager, Galliano Branch. Promoted to assistant vice presidents are Nolan J. Bourgeois, manager, Cut Off Branch; Sterling P. Breaux, manager, Golden Meadow Branch, and Carol Marino, personnel. New assistant cashiers are Larry C. Mitchell, manager, Lockport Branch; Beverly A. Savoie, Galliano Branch, and Nell B. Toups, purchasing officer.

Mississippi

■ **DONALD F. CALFEE**, vice-president of the Mississippi Bankers Association, has joined First Mississippi National, Hattiesburg, as senior vice president and governmental relations officer in the bank's Jackson division. Mr. Calfee, a banker since 1939, was president, Rankin County Bank, Brandon, from 1967 until last January.



CALFEE

■ **DEPOSIT GUARANTY NATIONAL**, Jackson, has announced plans to merge with Bank of Inverness. Boards of both banks have approved the merger agreement. Deposit Guaranty Corp. is the parent holding company of Deposit Guaranty National.

■ **BROOKHAVEN BANK** has promoted Pauline H. Jones to senior vice president, administration, and Julius Michael Smith to vice president, data processing. Before transferring to data processing, Mr. Smith was a branch manager.

Missouri

■ **A. MARIE BONO**, First National, St. Louis, has been elected vice president. She is responsible for management of the personal banking center and executive financial center.

■ **CHARLES S. BETZ** has been named president of Commerce Bank, Kirkwood. Mr. Betz, who joined the

Commerce Bancshares organization this year as vice president of Commerce-Manchester, St. Louis, succeeds Joseph P. Haupt, who will continue as chairman and chief executive officer. Mr. Betz was vice president at First National, St. Louis, where he headed the correspondent banking department.



BETZ

■ RALPH A. BERTEL has retired from American National, St. Louis, where he most recently served as executive vice president. Mr. Bertel's career in banking has spanned 50 years; he was with American National for 26 years. Mr. Bertel will continue to serve on the board.

■ MERCANTILE TRUST, St. Louis, has promoted R. Michael Webb from pension trust officer to assistant vice president. Thomas F. Gehrin also was promoted from assistant trust officer to trust officer.

■ BARTLETT FORD, vice president and trust officer, First National, St. Joseph, was graduated recently from the Stonier Graduate School of Banking.



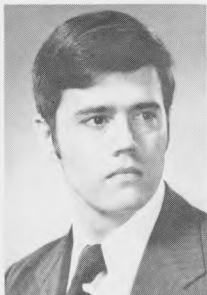
RUMPF



GRIMMER

■ BOATMEN'S NATIONAL, St. Louis, announced the following bank officer appointments: Richard E. Grimmer, vice president, controller's division, was promoted to vice president and controller. Ted E. Rumpff, vice president, operations division, was promoted to vice president. Thomas E. Bechtold, Samuel Devore, Lowell R. Huff, Larry L. Nation and Lois M. Scott were promoted to assistant vice presidents.

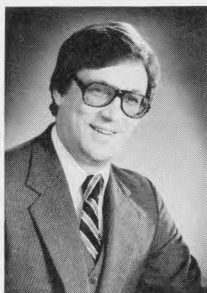
■ FIRST NATIONAL, Kansas City, has promoted Michael A. Luby Jr., Thomas G. Papa and Elaine M. Whitehouse to vice presidents. Richard A. Marks has been named an assistant vice president. Mr. Luby was assistant vice president; Mr. Papa went to First National this year from Commerce Bank, Kansas City, where he was a vice president, and Mrs. Whitehouse is manager of First National's Loma Vista Branch. Elected assistant cashiers are C. Coleman Darby, Michele A. Manne and Ronald R. Mason.



LUBY



WHITEHOUSE



PAPA



FLESCHNER

■ JERALD L. FLESCHNER has been promoted from assistant vice president to vice president at Mercantile Trust, St. Louis, which he joined in 1969. He was promoted to correspondent banking officer in 1971 and to assistant vice president in 1974. In other action, the bank promoted William T. Baker and John P. Edwards to assistant vice presidents. Mr. Baker, with Mercantile since 1964, was a consumer credit officer. Mr. Edwards, who went to the bank in 1967, formerly was an investment officer.

Dividend-Reinvestment Plan

KANSAS CITY — First National Charter Corp. is offering a dividend-reinvestment plan, which permits stockholders to have cash dividends automatically reinvested in additional shares.

The plan also includes an option that permits voluntary cash investments in additional shares. Optional cash investments are limited to stockholders who elect to reinvest their dividends. Under the plan, the corporation will absorb all service charges and brokerage commissions.

First National Charter, which had total assets of \$1.6 billion March 31, 1979, had 3,766,691 shares outstanding on that date. The corporation presently has about 2,300 stockholders.

New Mexico

■ JERRY BEKKEN of First National of Dona Ana County, Las Cruces, has been made branch officer of the South Main Motor Bank. He has served at the branch as supervisor during the past.

■ FIRST NATIONAL, Grants, has announced the retirement of John H. Jackson Jr., and the appointment of James H. Kommers as acting president. Mr. Kommers has been with the bank for 15 years and is a director.

■ FIRST NATIONAL, Albuquerque, has promoted 10 employees. Andrew R. Gomez, assistant vice president, was named vice president and manager of the Eubank Branch. Everett Kitterman, assistant vice president, was named vice president and manager of the Winrock Branch. Norma Aultman, Grand Avenue Branch manager, was named vice president and manager of the main office. Frances Abeita, assistant cashier, was named assistant vice president and manager of the Grand Avenue Branch. Phillip Castillo, assistant cashier, was named assistant vice president and assistant manager of the East Central Branch. Michael Ulibarri, assistant manager of the West Central Branch, was named assistant vice president and manager of the West Central Branch. Maurice Lamonde, loan specialist, was named assistant cashier. Karen Moody was named assistant cashier and head of the central balancing department. Lolo Rhoton, administrative assistant, was named assistant cashier and assistant

manager of the Corrales Branch. Hazel Taute, Cedar Crest Branch manager, was named assistant cashier.

Oklahoma



ROBERTS

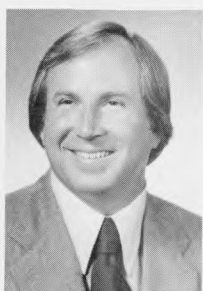


ADAMS

■ **LIBERTY NATIONAL**, Oklahoma City, has promoted John P. Roberts, an attorney with the legal department, and Colleen Adams, loan operations manager, to vice presidents. Millie N. Weaver, installment loan officer, personal banking center, has been named assistant vice president.



GILBERT

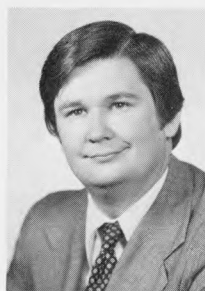


REARDON

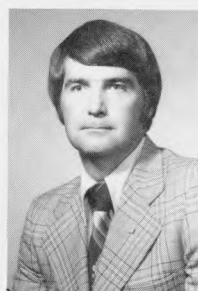
■ **FIRST NATIONAL**, Oklahoma City, has announced that two new executive vice presidents have joined the bank. Robert R. Gilbert III will head the new continental group comprised of correspondent banks, regional, and national/international departments. He was with First National, Tulsa, where he was executive vice president, corporate and special industry banking. John M. Reardon will oversee the metro and retail banking group. Mr. Reardon comes from Southwestern Bank, Oklahoma City, where he was president.

■ **FIDELITY BANK**, Oklahoma City, has announced promotions of three senior vice presidents to executive vice presidents: Pierce M. Gandy, operations; Keith May, lending, and Ernest D. Milby, finance. Newly ap-

pointed senior vice presidents are Raymond Kendall, administrator of computer services; Nelson Pickrell, administrator of commercial lending, and John Mattingly, administrator of the consumer lending division. Dick Lee has been made vice president, commercial loan division. Other appointments include: Larry Harmon to assistant vice president and Nancy Copeland to assistant cashier, loan review and credit administration; Dave Durrett to assistant cashier, commercial loan division, and Jay Hallman to assistant cashier, correspondent bank division.



LAMB



FRITTS

■ **FOURTH NATIONAL**, Tulsa, has announced promotions of David Lamb and Mike Fritts to vice presidents in the commercial lending division. Nevyle R. Cable has been appointed assistant vice president, commercial lending and William C. Carpenter, an officer of Diversified Mortgage Co., has been named assistant vice president.

■ **FIRST NATIONAL**, Bartlesville, has promoted three to assistant cashier: Belva Brooks, customer service; Chris Couch, personal banking, and Louise Venus, general ledger.

Tennessee

■ **FIRST AMERICAN NATIONAL** and First Amtenn Corp., Nashville, promoted several executive officers. F. G. Cavin, banking administration, was elected vice chairman and member of the board of First Amtenn. The correspondent banking group of First American will report to Mr. Cavin. John C. Fox and J. Franklin McCreary were promoted to executive vice presidents of First Amtenn. Mr. Fox is the chief financial officer and will direct corporate planning. Mr. McCreary, who has supervised the corpo-

Bank of Enville Closed

ENVILLE — The Tennessee commissioner of banking, Thomas Mottern, closed Bank of Enville June 16, and the FDIC was appointed liquidating agent.

According to FDIC Chairman Irvine H. Sprague, virtually all the bank's deposits, estimated at \$3.1 million, were within the federal insurance limit (\$40,000) or were secured so that holders will be paid in full through the FDIC. The bank had approximately 1,200 deposit accounts.

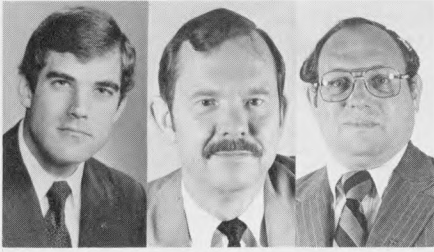
The decision to begin paying off insured deposits was reached only after extensive efforts to arrange a deposit-assumption transaction with FDIC financial assistance proved unsuccessful.

The *Memphis Press-Scimitar* said Mr. Mottern closed the bank after a routine audit by state bank examiners revealed problems caused by unpaid loans made by bank officials exercising "poor credit-risk assessment."

rate legal, audit and security functions, now also will be responsible for corporate policy coordination and loan review. At the HC's lead bank, First American, C. Richard Bobo, asset/liability management; James W. Smith, consumer banking and administration; Mack S. Linebaugh Jr., commercial banking; and John M. Lee Jr., trust/investment management, have been promoted to executive vice presidents. Persis D. Houston III, David P. Speno and Richard L. Goodwin were promoted to senior vice presidents. Richard E. Herrington was promoted to vice president as was Larry Brown, correspondent bank group. Mr. Brown is responsible for coordination and management of the lending area and will work closely with the correspondent and affiliate banks.

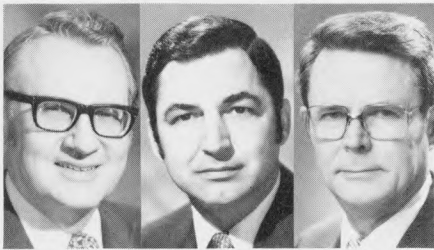
■ **FIRST NATIONAL**, Lexington, has elected Howard W. Tignor president and Nelle V. Priddy vice president and cashier. Mr. Tignor succeeds William F. Goff, who is retiring from the bank. Mrs. Priddy succeeds Loyce Davis, who also is retiring. Mr. Tignor joined the bank last January. Mrs. Priddy went to First National in 1958. Messrs. Goff and Davis continue at the bank in advisory capacities.

Texas



JONES ELLIS RINGER

■ **BANK OF THE SOUTHWEST**, Houston, has announced four promotions. Robert G. Ellis was named vice president and trust investment officer; Gainer B. Jones Jr. was named vice president, real estate; Joseph H. Ringer and Carroll R. Anderson, vice presidents, international.

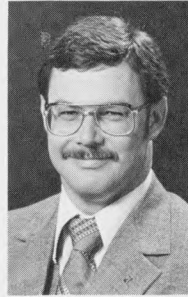


LUCAS PETTY MacQUEEN

■ **FORT WORTH NATIONAL** elected Bill W. Lucas and Bruce Petty executive vice presidents and Peter A. MacQueen, senior vice president. Mr. Lucas is manager, investments division; Mr. Petty is manager, trust division, and Mr. MacQueen manages the petroleum loan department. Promoted to vice presidents were Paris Couturiaux, manager, employee relations; Gene E. Miller Jr., manager, items processing, and Lewis W. Pollok III, bond trading staff/investments division. Promoted to vice presidents were Carl E. Campbell Jr., Danny K. Coleman, Dale Henry, Joe A. McFadin, Richard H. Ralston, Robert W. Sellers, Roy Thomas and Charles T. Wilson. Gary R. Long was promoted to assistant vice president and trust officer.

■ **BANK OF THE SOUTHWEST**, Houston, has promoted Bobby R. Andrews and Matthew W. Curry to assistant vice presidents, commercial loans; Larry J. King to assistant vice president, collections; and William W. Oney to assistant vice president, remote facilities.

■ **LARRY REED** has been promoted from assistant vice president to vice president at First National, Amarillo, where he is in the correspondent banking department. Mr. Reed joined that department in 1976 after having been an officer trainee and in the marketing department.



REED

■ **FIRST NATIONAL**, Dallas, has named Lawrence H. Budner senior vice president and senior trust officer. Mr. Budner heads the development and benefits group. Thomas D. Hogan and Karl J. Lombar have been made senior vice presidents, trust division.

■ **FROST NATIONAL**, San Antonio, has promoted Jesse Martinez to vice president. Mr. Martinez is supervisor, manager and administrative officer in

teller services. Promoted to assistant vice presidents were William L. Clyborn Jr., trust; Jan L. Kassaw and John F. Martin, automated customer services; Keith J. Miller, on-line systems, and Brian L. Smith, loan recovery.

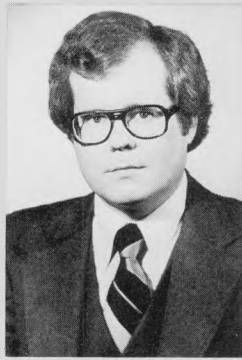
■ **BRUCE REEVES** was elected vice president in charge of marketing and public relations at Parker Square Bank, Wichita Falls.

■ **ROY A. SKOBA** has joined First City Bancorp., Houston, as senior vice president and director of marketing. He is replacing George Dillin Jr., who has resigned. Mr. Skoba comes from Huntington Bancshares, Columbus, O., where he was senior vice president and director of marketing.

■ **TEXAS AMERICAN BANC-SHARES**, Fort Worth, has acquired Riverside State, Fort Worth. The acquisition is the 11th for the HC whose lead bank is Fort Worth National.

■ **NAT S. ROGERS**, chairman, First City National, Houston, has been elected to a three-year term on the board of governors of United Way of America.

STATEMENT OF CONDITION	
FIRST PASADENA	
<i>State Bank</i>	
PASADENA, TEXAS	
AT THE CLOSE OF BUSINESS JUNE 30, 1979	
RESOURCES	
Cash and Due from Banks	\$24,418,653.56
Securities	<u>53,539,566.60</u>
Loans	\$ 77,958,220.16
Federal Funds Sold	102,008,957.11
Real Estate, Furniture and Fixtures	9,000,000.00
Other Resources	6,055,626.17
TOTAL	<u>3,985,394.80</u>
LIABILITIES	
Capital Stock	\$ 3,630,000.00
Certified Surplus	7,000,000.00
Undivided Profits and Reserves	16,065,798.31
Deposits	<u>172,312,399.93</u>
TOTAL	<u>\$199,008,198.24</u>
<p>Mrs. MARCELLA D. PERRY S. R. JONES, JR. <i>Senior Chairman of the Board</i> <i>Chairman of the Board and</i> <i>Chief Executive Officer</i></p> <p>HOWARD T. TELLEPSEN J. O. KIRK <i>Vice Chairman of the Board</i> <i>President</i></p> <p>Executive Vice Presidents B. F. HOLCOMB G. M. MAGEE E. T. SHEPARD, JR. (and Cashier)</p> <p>Senior Vice Presidents CARROLL D. DAVIDSON LARRIE R. DECLERCO O. L. HARRIS CLINTON L. KARM JOYCE C. SPARKS WENDELL F. WALLACE</p> <p style="text-align: center;">MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION</p>	



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.

Q. How does the increase in the ceiling rate of interest payable on savings accounts affect penalty provisions for time deposits issued before July 1, 1979?

A. Time deposits paid before maturity, which were issued or renewed between July 5, 1973, and July 1, 1979, are subject to Regulation Q interest penalty, which requires that a time deposit may not be paid prior to maturity unless three months of interest are forfeited and the interest on the amount withdrawn is reduced to passbook rate. The passbook-ceiling rate of 5¼% should be used in computing the early-withdrawal penalty for time deposits by member banks.

Q. May money-market certificates and the new four-year, fixed-rate, variable-ceiling time deposits be issued in automatically renewable form?

A. Provisions of Regulation Q do not prohibit a member bank from issuing such certificates in automatically re-

newable form. However, when such certificates are renewed, the ceiling rate will be that rate in effect on date of renewal, not the rate at which the certificate originally was issued.

Q. May member banks accept pooled deposits that have been aggregated to obtain a higher interest rate than would otherwise be permitted by Regulation Q?

A. In a recent interpretation, the Board of Governors of the Federal Reserve System determined that member banks accepting and paying higher interest rates on pooled deposits from depositors who themselves have pooled their funds would not be violating Regulation Q. However, member banks are not permitted to solicit, advise or encourage depositors to pool funds to receive higher interest rates. In addition, member banks are not permitted to solicit deposits from customers on the basis that the funds will be pooled by the bank for higher interest rates.

puter simulation project, which allows students to act as members of a senior-management team that has responsibility for total management and success of a bank. The course also includes seminars, class discussion, visual presentation and swap sessions.

Some topics of discussion will be: "Pricing Bank Services," "Management by Objectives," "The Changing Environment for Banking — Government, Monetary Policy, International Banking" and "The Price of Bank Funds."

■ **KAY BAILEY HUTCHISON** has been elected vice president and general counsel at Republic of Texas Corp., Dallas. She is former acting chairman of the National Transportation Safety Board and a past member of the Texas legislature.

• **Datafilms.** Two short banking films, "What'll I Do If . . .?" about holdups and "Into Each Life Some Rain . . ." about handling difficult customers, are available for free loan on official request. The films, from the Golden Triangle Teller Training Film Series, can be used for keynoting financial association and chapter meetings. Write: Datafilms, 2625 Temple Street, Los Angeles, CA 90026.

● Index to Advertisers ●

Affiliated Services	60
Bank A Count Corp.	50
Bank Board Letter	60
Bank Marketing Association	37
Bank of America	33
Bank of Oklahoma, Tulsa	15
Bel-Air Co.	59
Belmont Plastics	50
Boatmen's National Bank, St. Louis	85
Christmas Club—a Corporation	29
Commerce Bank, Kansas City	13
Commercial Nat'l Bank, Kansas City, Kan.	74
Continental Bank, Chicago	79
Cummins-Allison Corp.	20
Daktronics, Inc.	32
Detroit Bank & Trust Co.	65
Don Howard Personnel, Inc.	64
Fabcraft, Inc.	30
Fidelity National Bank, Baton Rouge	43
First Alabama Bank, Montgomery	36
First City National Bank, Houston	57
First National Bank, Hutchinson, Kan.	70
First National Bank, Joplin, Mo.	68
First National Bank, Kansas City	7
First National Bank, St. Louis	86
First Nat'l Bank of Commerce, New Orleans	17
First Oklahoma Bancorp.	35
First Pasadena (Tex.) State Bank	83
Fourth Nat'l Bank & Tr. Co., Wichita	53
Harland Co., John H.	3
Hutchinson (Kan.) Nat'l Bank & Tr. Co.	77
Insurance Enterprises, Inc.	10
J & J Coin Jewelry	51
Liberty Nat'l Bank & Tr. Co., Oklahoma City	2
MGIC Indemnity Corp.	39
Memphis Bank & Trust Co.	9, 19
Mercantile Bancorp, St. Louis	5
Monteleone, The	76
National Bank of Detroit	40-41
National Underwriters, Inc.	22
Perry, Adams & Lewis Securities, Inc.	66
Republic National Bank, Dallas	21
Ridgeway & Associates, John W.	68
St. John's Bank & Trust	69
Security National Bank, Kansas City, Kan.	73
Southwest National Bank, Wichita	76
Springfield Marine Bank, Springfield, Ill.	62
Stifel, Nicolaus & Co., Inc.	75
Third National Bank, Nashville	49
Thomas Cook Travelers Cheques	44-45
Union Bank, East St. Louis, Ill.	63
Whitney National Bank, New Orleans	11
Zahner & Co.	72

FOR SALE: Six NCR full key adders. \$325.00 each. Three NCR full key wide carriage adders, excellent condition. \$375.00 each. Call (512) 837-6783.

WANTED: SEASONED PR AE for growing agency billing 10 million. We offer opportunity for personal growth in an environment of professional, team-spirited people. If you have banking or community PR experience, you'll have an edge for the job we must fill now. Send resume and salary requirements to: Box 92-M, c/o MID-CONTINENT BANKER, 408 Olive St., St. Louis, MO 63102.

Management School Planned August 11-17 in Wisconsin

The 1979 Management School of Bank Marketing will be held August 11-17 at the University of Wisconsin/Madison. The seven-day school, sponsored by the Bank Marketing Association in cooperation with the university, is designed to provide bank marketing managers with exposure to general management concepts, practices and advanced marketing techniques.

A highlight of the program will be student participation in a bank com-



Plying his wares up and down the Mississippi Valley, the itinerant river merchant was as dependable as a fine clock. This painting, by Oscar E. Berninghaus, was commissioned by The Boatmen's National Bank of St. Louis and is one of many paintings that comprise the Boatmen's Fine Arts Collection, one of the largest in the United States.

Some Things Should Never Change

Times have changed since the river merchant sold his wares on riverbanks throughout the Mid-West. The river merchants have disappeared from the scene and the marketing of all types of goods and services has gone through an evolutionary change that was totally unimaginable in the 1840's.

Boatmen's, a name that has stood for quality since 1847, has a team of correspondent bankers that exemplify the words "old fashioned service". They have all of the current technology at their fingertips, but recognize that their customers, above all else, need personal service.

Call 314-425-3600 for a better way of correspondent banking.



**THE BOATMEN'S
NATIONAL BANK
OF ST. LOUIS**

100 N. Broadway • St. Louis, Mo. 63102 • 314-425-7500

A correspondent bank should give you more than just a correspondent banker.

We do.

When you choose First National Bank in St. Louis as your correspondent bank, you get more than a correspondent banker.

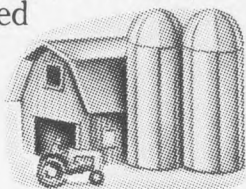


You get an entire staff of specialists who offer you daily assistance for daily needs.

For example, the "Rabbit Transit" check-clearing systems our people have developed

can help improve your earnings, because your transit items become collected balances rapidly.

We also offer you the services of agricultural finance specialists who can help you provide your customers with expert advice as well as flexible

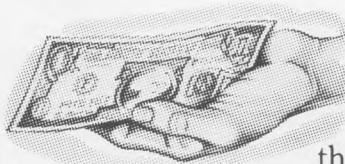
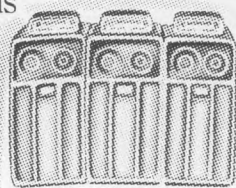


loan arrangements.

In the area of Fed Funds, investments and the safe-keeping of securities, we offer a performance record that's highly regarded in our industry.



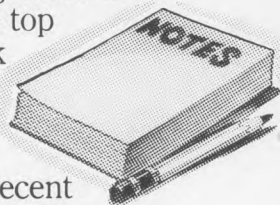
Our electronic data processing team brings you the most sensible systems for getting work done—reliably and accurately. And our computer specialists offer counsel and advice in all phases of EDP systems.



Our capacity for overline lending, based on our sizable assets, allows you

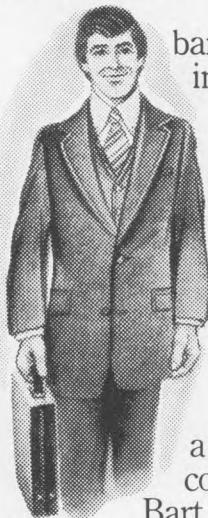
the opportunity to make larger loans than you otherwise might.

We sponsor timely seminars where you and other top management of your bank meet with the top management of our bank to exchange ideas and share expertise. These seminars also serve to keep you up-to-date on recent developments in our industry.



Of course, your correspondent banker is always available for individual consultation. He's the

key to our relationship and the person we depend on to make fast decisions on our behalf. He's the one you can depend on, too, when you want to get more from your correspondent bank. He can help you plan for your bank's future and for our future together.



If you're not already seeing a First National Bank in St. Louis correspondent banker, just call

Bart French at (314) 342-6967. He'll make sure you get a correspondent banker... and a whole lot more.



First National Bank in St. Louis

A First Union Bank

Member FDIC