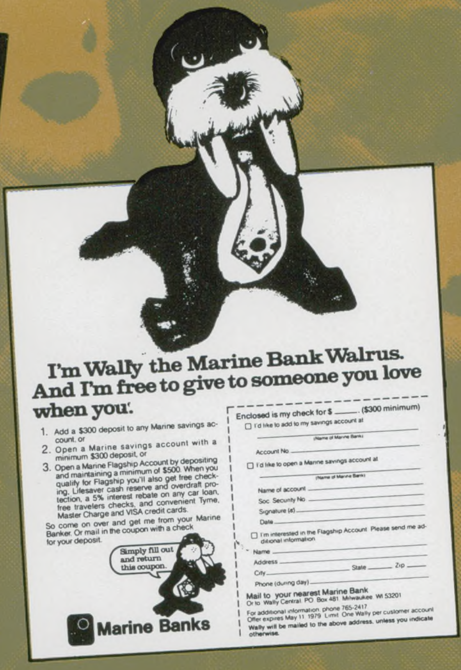
(ISSN 0026-296X)

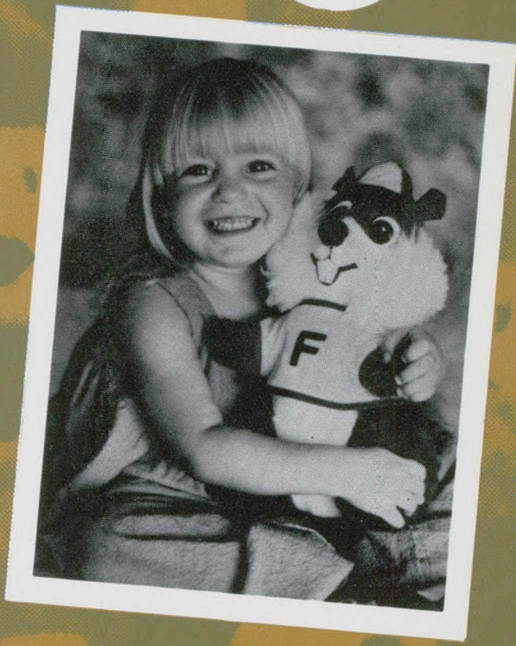
MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

APRIL, 1980

Marketing





Merrill Lynch: A BIG Competitor for Bank Profits

Page 27

The Resource That Can Broaden Your Banking Horizons — Liberty Professionals.

Last year, a customer of one of our correspondent banks had an opportunity to make a $14 million equipment sale to the Peoples' Republic of China. This was a big step up the ladder of expansion into foreign markets for the customer, but the problem was obtaining the necessary working capital.

Together with our correspondent, we arranged additional inventory and accounts receivables financing. As a result, the sale has been successfully concluded. The customer's 270 employees and their community have benefited, as well as the economy of Oklahoma.

We welcome opportunities to attempt to solve correspondent bank problems like this. We believe that problem-solving is the mark of the true professional. Why not let us give your bank the benefit of Liberty's billion (plus) resources and **the resource no other bank can give you — Liberty Professionals.**

James L. Kienholz
Senior Vice-President

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

LIBERTY
THE BANK OF MID-AMERICA

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

LeFebure builds value, security and reliability into its handsome Series 5000 vault door.

Here is classic beauty to complement virtually any decor, plus the vault protection your customers expect ... and at an affordable price.

This polished, stainless-steel-clad door is accented by a black and stainless handle which activates a full length locking bar. Suspended on linear bearings, the locking bar moves easily, permitting the door to swing at a touch.

Dual spyproof combination locks are accented with black inserts. The 120-hour time lock and anti-lock-in mechanism are concealed beneath a full-length hinged cover. When this cover is closed it provides a smooth, uncluttered look.

The door has exclusive Monolithiguard® torch and drill protection over the locking mechanism, and torch attack-resistant material over the entire surface. It is U/L listed and meets all specifications of the Bank Protection Act and the Insurance Service Office requirements.

You can choose from four different architraves. Ask your LeFebure Sales Engineer to tell you more.

LeFEBURE
Division of Walter Kidde & Company, Inc.
KIDDE
Cedar Rapids, Iowa 52406

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Volume 76, No. 4 **April, 1980**

FEATURES

DEPARTMENTS

CONVENTIONS

STATE NEWS

EDITORS

Ralph B. Cox
Publisher

Lawrence W. Colbert
Assistant to the Publisher

Rosemary McKelvey
Editor

Jim Fabian
Associate Editor

Advertising Offices

St. Louis, Mo., 408 Olive, 63102, Tel. 314/421-5445; Ralph B. Cox, Publisher; Marge Bottiaux, 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, $2 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; **James T. Poor**, executive vice president and secretary; **Ralph B. Cox**, first vice president and treasurer; **Bernard A. Beggan, William M. Humberg, Don J. Robertson** and **Lawrence W. Colbert**, vice presidents; **David Baetz**, assistant vice president.

Convention Calendar

April 26-27: ABA Community Bank Senior Management Planning Workshop, Chicago, Hyatt Regency O'Hare.
April 27-29: Texas Bankers Association 96th annual convention, Houston.
April 27-30: ABA National Marketing Conference, Miami Beach, Americana Bal Harbour.
April 27-30: Conference of State Bank Supervisors Annual Convention, Las Vegas, MGM Grand Hotel.
April 27-May 3: ABA Executive Program on Retail Banking, Houston, Houstonian Inn.
May 4-6: ABA International Personnel Workshop, Chicago, Continental Plaza.
May 4-7: Bank Administration Institute 1980 Conference on Banking Issues, New Orleans, Hyatt Regency.
May 4-9: ABA National Commercial Lending Graduate School, Norman, Okla., University of Oklahoma.
May 6-7: ABA Compensation Workshop, Chicago, Continental Plaza.
May 10-13: Arkansas Bankers Association Annual Convention, Hot Springs, Arlington Hotel.
May 11-16: ABA National Personnel School, Boulder, Colo., University of Colorado.
May 11-16: ABA Community Bank CEO Program, Houston, Houstonian Inn.
May 12-14: Bank Administration Institute Bank Tax Conference, Nashville, Hyatt Regency.
May 14-16: Alabama Bankers Association Annual Convention, Mobile, Municipal Auditorium.
May 14-16: Kansas Bankers Association Annual Convention, Overland Park, Glenwood Manor.
May 15-18: Independent Bankers Association of America Seminar/Workshop on Bank Ownership, Clearwater Beach, Fla., Hilton Inn.
May 17-21: Mississippi Bankers Association Annual Convention, Biloxi, Biloxi Hilton Hotel.
May 18-21: ABA National Operations/Automation Conference, New York City, Hilton and Americana hotels.
May 18-21: Tennessee Bankers Association Annual Convention, Gatlinburg, Sheraton Hotel.
May 19-21: Oklahoma Bankers Association Annual Convention, Oklahoma City, Sheraton Century Center Hotel.
May 22-24: Missouri Bankers Association Annual Convention, St. Louis, Stouffer's Riverfront Inn.
May 22-25: Assembly for Bank Directors, Bermuda, Southampton Princess.
May 24-29: National AIB Leaders Conference, New Orleans, Hyatt Regency New Orleans.
May 25-30: Bank Marketing Association Essentials of Bank Marketing Course, Boulder, Colo., University of Colorado.
May 25-June 6: Bank Marketing Association School of Bank Marketing, Boulder, Colo., University of Colorado.
May 25-30: Bank Marketing Association School of Trust Sales and Marketing, Boulder, Colo., University of Colorado.
May 31-June 6: ABA National and Graduate Schools of Bank Investments, Urbana/Champaign, Ill., University of Illinois.
June 5-7: Illinois Bankers Association Annual Convention, St. Louis, Stouffer's Riverfront Inn.
June 5-7: New Mexico Bankers Association Annual Convention, Albuquerque, Hilton Inn.

Jim Fabian Returns

ST. LOUIS — If you look at the MID-CONTINENT BANKER masthead on this page this month, you will see a familiar name — Jim Fabian.

Mr. Fabian is back on the magazine's editorial staff as associate editor after a 15-month absence. He spent that time in Santa Barbara, Calif., but was prevailed on to leave that sunny climate and take up the post on MCB he filled so efficiently from 1967 to November, 1978.

The Banking Scene

By Dr. LEWIS E. DAVIDS
Illinois Bankers Professor of Bank Management
Southern Illinois University, Carbondale

Savers Attracted by Money-Market Funds

HAVE YOU noticed a substantial increase in money-market-fund advertising? Many bankers, especially those in cities of more than 50,000 population, have for some time. Even bankers in small towns with a national or regional stockbrokerage firm have noticed more customers withdrawing savings and time deposits.

Part of the increase results from the Securities & Exchange Commission's change in attitude toward fund advertising.

Money-market-fund sponsors are becoming more aggressive than they were in advertising, causing customers to move their savings.

Previously, money-market-fund sponsors were restricted to what is known as "tombstone" advertising — that is, an announcement per se. Today, however, sponsors may use a more vigorous advertising stance in all media. Naturally, money-market-fund sponsors are taking advantage of the new advertising possibilities.

Money-market-fund sponsors are becoming more aggressive than they were. In fact, it is not unusual for a brokerage firm to contact more affluent individuals in a community to suggest that they participate in money-market funds, if they aren't already doing so. Probably, some bucket shop operators are in this field. However, many reputable brokerage firms are taking a more aggressive stance in contacting existing customers.

In addition, the powerful impact of word-of-mouth recommendations has been felt. My wife attended a bridge game at which one of the major discussion topics was the high rate of return on money-market funds.

Apparently, several card players had put their funds in this market. Others — players who had *not* been familiar with money-market funds — said they probably were going to transfer savings from their local savings institutions — commercial banks, S&Ls, mutual savings banks or credit unions — to invest in money-market funds.

Controller of the Currency John G. Heimann more than once has commented on the probable impact of disintermediation of money from conventional financial institutions to money-market funds. Recently he said, "Once consumers switch their deposits to a money-market-fund account, it seems likely that they won't switch funds back to depository institutions, even if market rates decline, because of the accounts' convenience to them and because brokers will encourage them to transfer their money to other investments."

He said, however, that banks — with their *insured* balances — have at least one advantage over money-market funds.

But is he correct?

Financial-institution officers would have to have blind optimism to believe insurance is the sole reason people keep their funds in banks, S&Ls, etc., instead of putting the savings in money-market funds.

I recently received some advertising material from a regional brokerage firm, and it placed great emphasis on how solvent this firm is and how available its CPA-audited financial statements are to individuals such as myself who might request them. After reviewing this particular brokerage firm's financial statements, I have to admit it does have more than adequate capital resources. In fact, many banks would be glad to have as much capital to liabilities as this firm does. However, the idea of insurance still is provocative.

For about 30 years, it has been proposed in individual states that state-chartered banks' deposits be covered by an insuring agency other than the FDIC. So far, these are only proposals.

Similar insurance proposals have been made for S&Ls. In several cases,

Previously, money-market-fund sponsors were restricted to "tombstone" advertising — an announcement.

S&Ls not insured by the Federal Savings & Loan Insurance Corp. (FSLIC) acquired private insurance, though it may be of dubious value.

Regional brokerage firms are well aware of the value of being able to say they are insured. Recently, the Security Investors Protection Corp. (SIPC) increased the amount of insurance from \$50,000 to \$100,000 should brokers become insolvent. A customer now may have \$40,000 insurance on each cash deposit with his broker. (The \$40,000 coverage for cash deposits is comparable to FDIC and FSLIC coverage.)

It is interesting to note that part of the public has a misconception about the Security Investors Protection Act of 1970. They believe their accounts may be insured for up to \$100,000, rather than the broker's being insured against becoming insolvent.

A number of brokerage firms do have deposit and insolvency insurance

(Continued on page 105)

By DAVID C. BOWERS
Senior Vice President/Treasurer
FBT Bancorp, Inc., South Bend, Ind.

Minimizing Impact of Charitable-Contribution Expense

VIRTUALLY all banks are run by management and a board of directors with a deep commitment to assist in the growth and development of communities served by their institutions. Assistance is given in many ways, but a primary method is through cash contributions to charitable organizations.

A bank's deduction for charitable contributions is limited to 5% of federal taxable income. As contributions seem to be ever increasing, the taxable income of many banks is decreasing. The primary reason for reduced taxable income is investment in tax-exempt state and municipal securities. With due regard to constraints such as liquidity and marketability, the high tax effective yield of the tax-exempt portion of a bank's portfolio encourages investments in these securities. Furthermore, banks are becoming more aggressive in leasing activities that can reduce taxable income. Bank financial officers also are increasing their skills in projecting taxable income and assisting in implementation strategies to minimize taxable income.

These two trends, i.e. increasing charitable cash contributions and decreasing taxable income, may result in excess contributions over the 5% limitation. Thus, a charitable-minded bank may derive little or no tax benefits from its contributions. Excess contributions can be carried forward for five years. The result of managing a bank to achieve a higher taxable income level to absorb such a carry forward may be worse than continuing to incur the nondeductibility of excess charitable contributions. Therefore, a contributions carry forward may never be utilized.

A tax-planning technique to avoid the 5% of taxable-income limitation on deductibility is to establish a 10-year Clifford Trust. A bank creates a trust that will terminate 10 years and one day after transfer of income-producing property to the trust. The trust is required to distribute its income to charitable organizations as designated by the trustees. Bank officers and/or directors may act as trustees. On termination of the trust in 10 years, the principal is returned to the corporation.

The bank itself is not subject to any deduction limitation as it has no charitable contributions. Instead, gross income of the bank is reduced by the shift of the income-producing property to the trust. The trust is entitled to an unlimited deduction for charitable contributions.

The following statements of income and related tax calculations demonstrate income-tax benefits. The "With Clifford Trust Statement" assumes sufficient assets have been placed in the trust to satisfy the annual donations.

The full tax benefit of the donations has been realized by use of the short-term charitable trust.

The book-accounting treatment of transferring the earning asset to the short-term trust would be to transfer the asset to the "other-assets" classification. A bank should transfer property producing fully taxable income, such as U. S. Government securities. An Internal Revenue Service ruling is recommended prior to setting up and funding the trust.

To date, state and federal regulators have prescribed the accounting treatment of the arrangement, but have not consistently approved plans to set up a Clifford Trust as presented by requesting banks. There is no question that this is an acceptable tax-planning technique that will build capital through increased net income. However, regulators are concerned about the inability of a bank to reduce its charitable-contribution commitments in low earning years. Furthermore, the 5% limitation may provide some restraint on an overly generous bank management or board. These regulatory concerns would seem best addressed on a bank-by-bank basis.

In summary, the charitable trust is an excellent tax-planning technique and, for selected banks, may increase a bank's net income while the bank continues to serve the charitable needs of the community it serves. ● ●

Tax Calculations	A Without Clifford Trust	B With Clifford Trust
Income before Federal Taxes	$ 290	$ 290
Less: non taxable income	200	200
Taxable Income	90	90
"Add Back" non tax deductible donations	6	-
	96	90
Tax Calculation	x.46	x.46
Tax	$ 44	$ 41

	Without Clifford Trust	With Clifford Trust
Taxable Income	$ 3,600	$ 3,590
Non-Taxable Income	200	200
Total Income	3,800	3,790
Contributions	10	-
Other Expenses	3,500	3,500
Total Expenses	3,510	3,500
Income before Federal Taxes	290	290
Federal Taxes	44	41
Net Income	$ 246 A	$ 249 B

'Savings Place' Conceived To Encourage Consumers To Put Money in Banks

A new consumer banking service called the Savings Place, which encourages customers to deposit their savings in a bank, has been designed by Whittle, Raddon, Motley and Hanks, Inc., a Chicago-based financial marketing firm.

The program features a "Menu Board," which shows consumers the entire array of savings options each bank can tailor for its own purposes. Intended to elevate a bank's professional image to "savings counselors," the menu board will help eliminate customer confusion about varied savings plans, according to the Whittle firm.

"The Savings Place was conceived after extensive research and is a natural answer to the question posed by many community bankers — 'How can a bank compete against a savings and loan?'" So says Lawrence Biff Motley, the company's executive vice president.

"Newspaper and radio advertising is geared to promoting an image of the helpful, knowledgeable bank," according to Mr. Motley. A lead-in headline reads, "Ask the Place That Knows," with the prominent headline in each of 10 ads posing a separate savings question for separate savings markets.

Extensive research conducted by the firm determined what types of people provide the greatest savings deposits and what appeals to them. Promotional components of the program were designed to appeal to these "funds providers."

The Savings Place package includes newspaper ads, radio commercials, "menu boards," billboard advertising, counter cards, brochures, door stickers, balloons, key chains, user manual, training manual, press kit and other optional items, such as a promotional blimp.

"The Savings Place serves two important purposes," says Jack W. Whittle, the firm's chairman. "First, it professionally trains new-accounts people to relate their bank's menu of savings plans to various customer needs. Secondly, through educational advertising, it helps customers understand and sort out the various savings options and then to build a plan for their lifestyle."

Part of Savings Place program includes newspaper ads, taped radio commercials, counter cards, billboard advertising, brochures, door stickers, balloons, key chains, user/training manuals, press kits that help program encourage customers to save at bank. It was designed by Whittle, Raddon, Motley & Hanks, Chicago-based financial marketing consulting firm.

From the consumer's viewpoint, the program's chief benefit is its simplicity. The advertising educates people regarding basic savings options and tells them what is best for them. The ads feature the "answer-man" approach, where potential savers are given advice on what to do concerning the many regulatory changes made by the federal government.

Bank Observes Centennial With Historic Display Of Lincoln Documents

Bank of Delphos, Kan., has a unique tie to Civil War President Abraham Lincoln. The bank was founded in 1880 by George N. Billings, husband of Grace Bedell, whose 1860 letter to Mr. Lincoln persuaded him to grow a beard. At that time, Mrs. Billings was just 11 years old and living with her parents in Westfield, N. Y. Eight years later, she married Mr. Billings, and they homesteaded in northern Kansas, near Delphos.

In celebration of its centennial this year and because of its link to the 16th President, Bank of Delphos is displaying historic documents linked to President Lincoln.

Roger B. Billings, current bank president, is the youngest grandson of Grace Bedell Billings, whose reply from Mr. Lincoln remained in the bank's vaults until 1966. The letter then was estate auctioned at the Waldorf-Astoria Hotel in New York City before a large audience of Lincoln historians.

By the way, Mrs. Billings helped her husband in the pioneer bank and was on its board for many years.

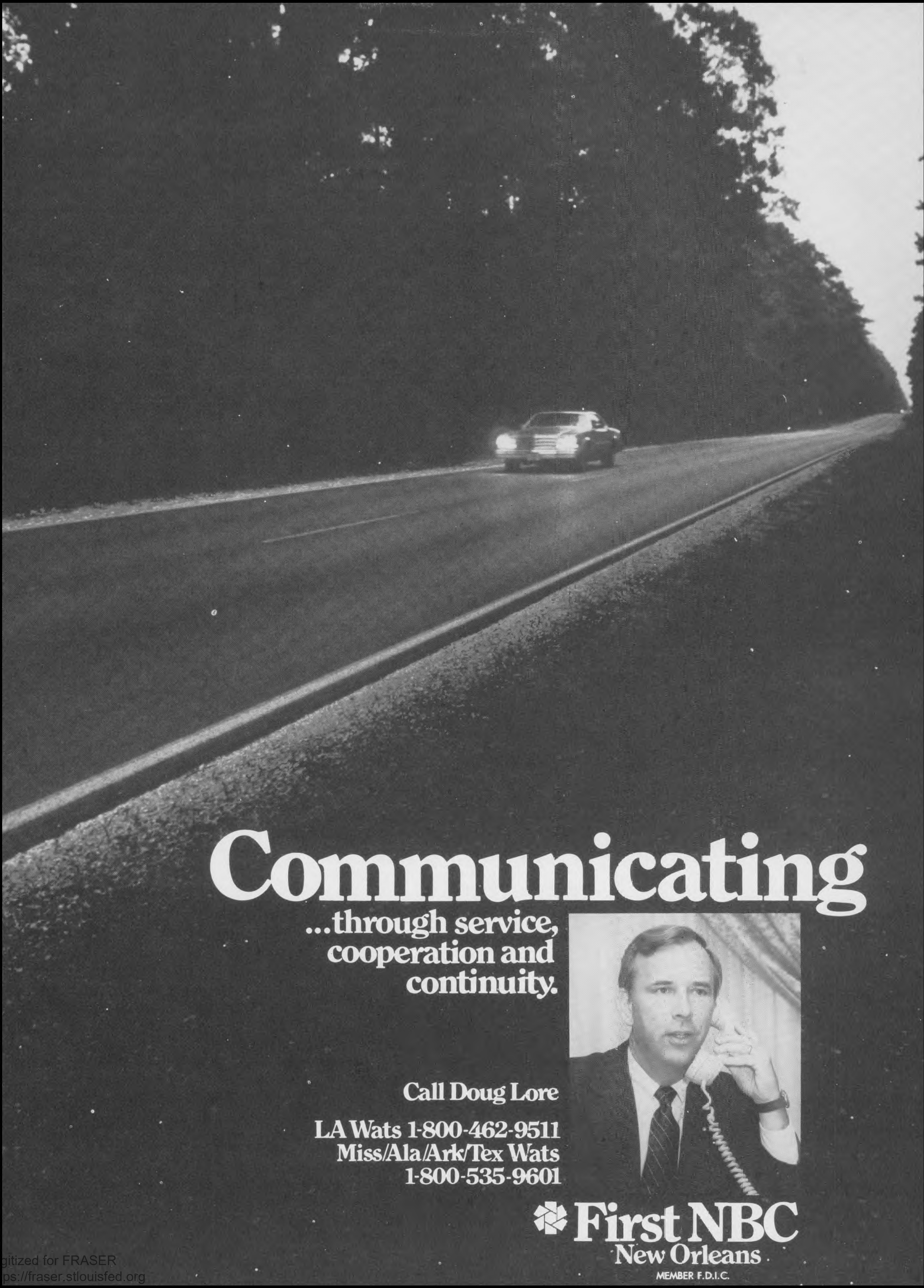
Steer Eats Rope Ribbon To Open New Building; Also Is Grand Prize

For grand-opening ceremonies through the years, banks have used the traditional ribbon cutting, and they even have had dignitaries snip money ribbons (carefully cutting between the bills, of course). However, how many banks have featured a "rope-eating" ceremony?

First National, Waterford, Pa., did because it is located in a small, rural community. Thus, it was thought appropriate that this branch of First National, Erie, Pa., have an 1,100-pound steer named "Moe" chew his way through a ribbon especially made for his taste buds. The "ribbon," consisting of hay tied with twine, was made by a local flower shop.

"Moe" was named Reserve Grand Champion Steer at the Waterford Fair last September and was raised by Ray Kibbe, a member of the Wattsburg Chapter, Future Farmers of America. The steer was the grand prize at the opening of First of Waterford's new building. Gift certificates also were distributed.

Guest of honor and "ribbon cutter" at opening of new home of First Nat'l, Waterford, Pa., was 1,100-pound steer named "Moe." He ate his way through hay tied with twine and also served as grand prize at opening. With "Moe" are (l. to r.): Malcolm E. Lambing Jr., pres., First Nat'l, Erie (of which First of Waterford is branch): Robert F. Mickle, branch mgr., and Waterford Mayor Earl T. Dawson.


Communicating
...through service, cooperation and continuity.
Call Doug Lore
LA Wats 1-800-462-9511
Miss/Ala/Ark/Tex Wats 1-800-535-9601
First NBC
New Orleans
MEMBER F.D.I.C.

By J. ROBERT CARLETON
Vice President
Operants, Inc.
San Rafael, Calif.

Job Aids — Alternatives to Training Program

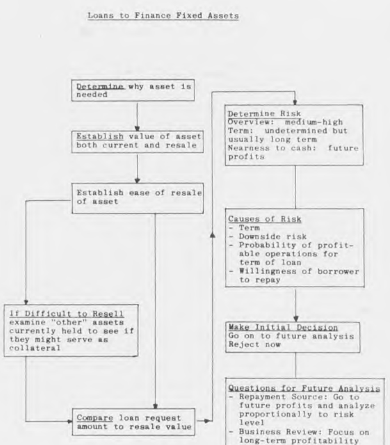
TRAINING EMPLOYEES is a necessary part of banking. But an extensive training program is not the only answer to preparing employees to perform all aspects of their jobs effectively.

In many cases, a simple job aid such as a checklist, flow chart or decision diagram can be an effective and low-cost alternative to an extensive training program.

There are four basic guidelines to determine whether a particular task can use the job aid rather than the training-program approach.

First: Does the person performing the task have time to look up reference material, or does the function require total recall? If the job is something that would not be hampered by the minute or so required to refer to a job aid, the task probably doesn't need to be part of an extensive training program.

Second: Does the job have a large variety of tasks to be performed, but only a few that are performed with regularity? For example, we determined that at one bank a new-accounts clerk had 100 different types of accounts that could be opened. But 98% of the time it was only one of three that was opened. Although the clerk could be called on to open the other 97 types, it would be with such infrequency that to train an individual in all 100 types would not be cost-effective.



LEFT: This job aid is flow diagram outlining key decision steps loan officer goes through in arriving at decision to grant loan for financing purchase of fixed asset.

BELOW: This job aid is chart that represents combined experience of many agricultural lending officers. It shows areas to be probed, sources from which information can be obtained and what factors may weigh either positively or negatively in loan decision.

OVERALL PRODUCTION UNCERTAINTIES

PROBES	SOURCES	+ INDICATORS	- INDICATORS
1. Availability of Equipment	• Agricultural Field Department Appraisal • Interview forms	+ Sufficient quality + Newness + Rentals available when needed + Adequate for job performed	- Inadequate or obsolete equipment - Unable to rent necessary equipment - Poor state of repair
2. Availability of Labor	• Interview forms • Labor Unions • Agricultural Field Department Appraisal	+ Sufficient seasonal and full-time labor sources + Qualified laborers	- Strikes - Labor Board disputes - Insufficient sources of seasonal or full-time labor - Unqualified laborers
3. Land, climate and natural resources	• Weather reports • U.S.D.A. agencies • Agricultural extension service • Agricultural Field Department Appraisals • Interview forms • Universities	Overall for agriculture + Seasonal rains + Adequate water source and supply + Good soil + Climate suitable to crop or livestock raised	Overall for agriculture - Unseasonal rain or drought - Floods - Inadequate water source or supply - Fire - Poor soil - Lightning

Third: Does the job function involve making decisions not based strictly on yes or no answers, but rather call for a subjective approach? If the answer is yes, then a job aid such as a decision chart might make that decision-making process simple enough for an employee to carry out with a minimum amount of training. For example, in making agricultural-lending decisions, an employee deals with positive or negative indications rather than yes or no answers. A decision chart can guide the person so the positive and negative aspects can be put into perspective and will indicate whether a positive or negative loan decision should be made. At one banking institution, we successfully decreased the training period for making agricultural loans from two years to a few months with use of a job aid.

Fourth: Is the decision too critical an issue to depend on memory? For example, if a customer questions a credit-card billing, the clerk must make sure all necessary steps are taken to research the answer. If a wrong answer is given, the bank later may have to forfeit the right to adjust the billing.

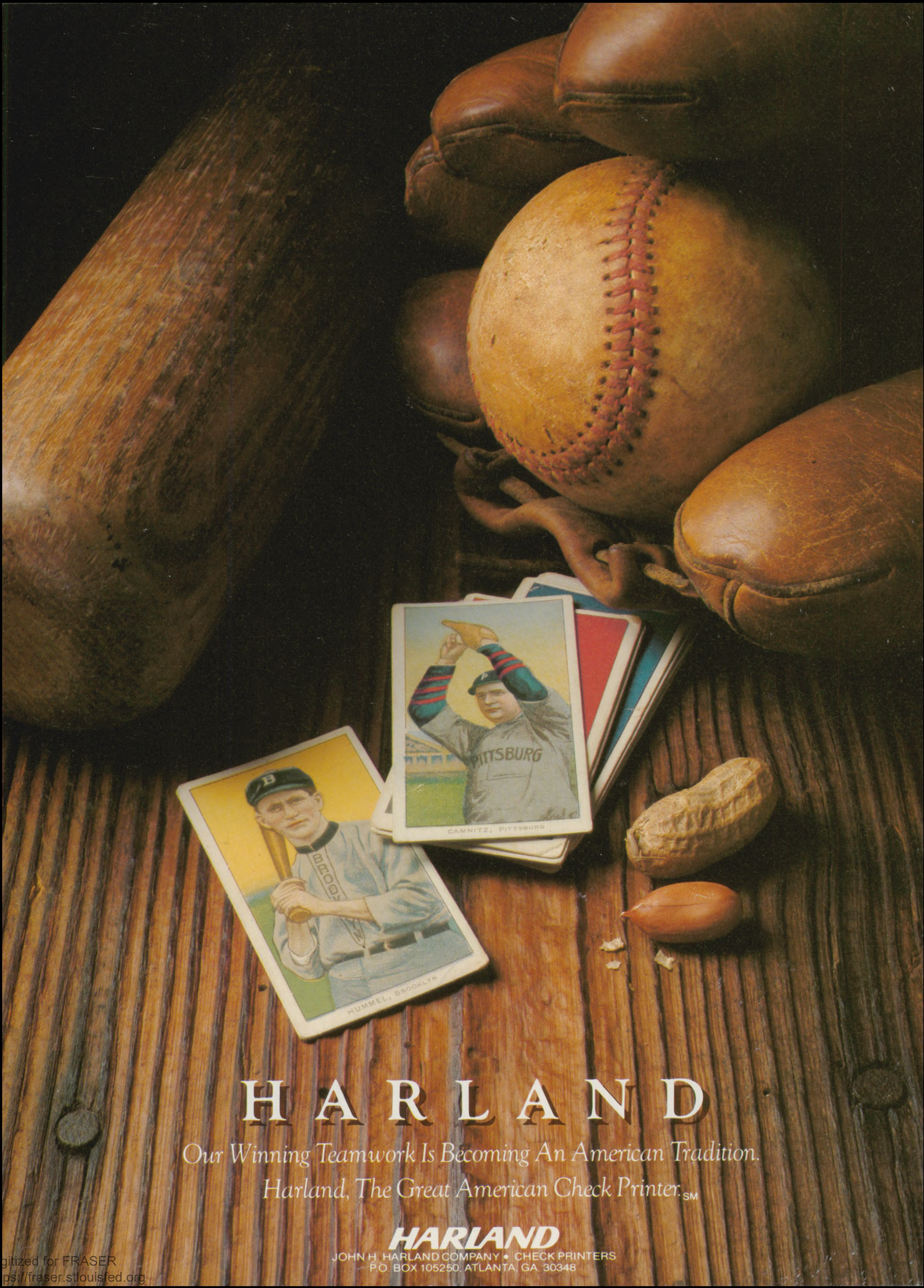
A good way to determine if any of these factors are involved is to do a thorough task analysis. This can be done by "walking through" the job function with an experienced person. If a completely experienced person is not available, a committee approach can be taken. One individual can write up the task analysis, and others on the committee can review it for accuracy.

Basically, there are four types of job aids:

1. *Check Sheet* — requires the employee to check a specific list of requirements to make sure nothing is left out. At Crocker National, San Francisco, this type of job aid is used in check-cashing procedures.

2. *Flow Diagram* — indicates steps to be performed in sequence. This is the type of job aid that helped solve the

(Continued on page 109)



HUMMEL, BROOKLYN
PITTSBURG
CAMNITZ, PITTSBURG
HARLAND
Our Winning Teamwork Is Becoming An American Tradition.
Harland, The Great American Check Printer. SM
HARLAND
JOHN H. HARLAND COMPANY • CHECK PRINTERS
P.O. BOX 105250, ATLANTA, GA 30348

By SCOTT UPP
President
Data Base Consultants, Chicago

Why EDP Professionals Change Jobs

IF YOU THINK turnover in your electronic data processing (EDP) staff is primarily for money, you're missing the boat. Contrary to popular belief, one of the last reasons members of the EDP community change positions is money.

The reason money is last can be attributed to a number of factors. EDP professionals are in a high-demand, low-supply situation; income brackets of these professionals are going up somewhere between 10% to 12% a year, which is considerably higher than most professions; and, finally, most corporations are keeping pace with this trend.

Contrary to popular belief, one of the last reasons members of the EDP community change positions is money.

However, EDP personnel do change jobs for some definite reasons, which we have uncovered in working with this specialized group over the years.

1. *Communication:* One of the biggest frustrations of the EDP professional is communications. And it's not that he isn't able to communicate with his bosses or workers — it's much broader than that. His problem is he is communicating only within a small segment of the company. He isn't sure what the corporation is trying to do, what his relationship to these goals are and where he fits. Someone isn't communicating with him. Therefore, he looks for the organization that can provide, through good communications, definitions and goals he needs to feel he is an integral part of the company, performing an important function.

2. *Technology:* This also might be described as "keeping up with the state of the art." It is true some EDP professionals in large, sophisticated departments move to environments that have lesser technology, where they can have more visibility. But these are the exceptions rather than the rule. In the EDP industry, technology changes so quickly that keeping up with the latest equipment, software and various software interfaces is an important career goal. Today, the young professional recognizes his long-term growth is dependent on knowledge of developments in telecommunications, teleprocessing and data-base management. If his present employer is neither entering into these areas nor keeping up with the state of the art, or if the employee isn't exposed to it by his company, he'll look for it elsewhere.

3. *Business Development:* While the EDP professional finds it necessary to advance his knowledge of technical skills, many are looking to broaden their overall business development. For example, we find people who have been in one phase of business, such as insurance, feel the need for diversification and move into the EDP phase of manufacturing or retail distribution. In the multifaceted, diversified corporation, employers should give serious consideration to moving their people from one operation to another, if they find their EDP professionals need this kind of "business development" for personal and professional growth.

4. *Growth/Responsibility:* It's an unusual person in EDP or any other profession who doesn't want to expand his responsibility and authority after he has mastered his present skills. This desire exists from the programmer level on up. One of the biggest reasons people change jobs is to move up and function at the next level. And one of the biggest mistakes employers make is not recognizing and doing something about this basic need to advance.

5. *Recognition:* EDP professionals work primarily with machines, but these individuals are not machines. They need visibility. They need a feeling of importance when they accomplish something. They need recognition! Too many corporations have lost sight of the classic case of patting someone on the back when he does a good job. In today's EDP market, it could mean the difference between keeping or losing a good person. On the positive side, it is not uncommon today to find the head of data processing to be a vice president of a company. This is the corporation's method of recognizing the importance of the individual and his level of authority and responsibility.

One of the biggest frustrations of the EDP professional is communications.

The days of data processing being thought of as an isolated function of a company are waning. Data processing is the only function that goes across all lines of business and interfaces with every single department.

The EDP professional realizes the five areas — communication, technology, business development, growth and responsibility and recognition — are vitally necessary if he is to be successful, progress and stay with his present company. Corporations that also recognize these necessary ingredients for employee development are getting and retaining the best people. Those that are not are losing them.

Then, there is the final reason EDP professionals change jobs — money. If the five basics for success are there, the money will come at a pace commensurate with their growth. However, it is not a prime motivating factor in job change decisions. • •

Three New Specialized Insurance Products Offered

THREE new specialized insurance products for financial institutions now are offered by MGIC Indemnity Corp., Milwaukee. They are: pension trust liability; individual retirement account (IRA)/Keogh plan errors and omissions; and mortgage interest. The policies will be available through insurance agents.

The new products will complement the protection of MGIC's directors and officers liability insurance and trust department errors and omissions insurance, says Edward Norris, MGIC executive vice president.

Pension Trust Liability. MGIC's pension trust liability insurance policy protects insureds from claims for "breach of fiduciary duty" while acting as a trustee or fiduciary of the institution's own, "in-house" employee pension/welfare benefit plans.

"Breach of fiduciary duty" generally is defined as a violation of any responsibilities, obligations or duties imposed on fiduciaries by the Employee Retirement Income Security Act (ERISA) or any other common or statutory law. This includes any act, error or omission in administration of any plan or trust.

Mr. Norris says coverage is available for the sponsor organization, plan or trust itself and individual-plan fiduciaries, with limits of liability ranging from $1 million up to $5 million.

IRA/Keogh Plan E&O Insurance. This policy, according to Mr. Norris, "protects the institution, as well as past, present and future directors, officers and employees, from legal liability incurred as administrators or trustees for IRA or Keogh Plan accounts." Limit of liability available is $250,000.

Mortgagee-Interest Insurance. Because a mortgagee's interest in a mortgaged property can be seriously impaired if the property is damaged and the home owner defaults because of lack or insufficiency of hazard insurance, MGIC designed a mortgagee-interest insurance policy to cover this exposure.

"Our policy," says Mr. Norris, "protects the lender if the mortgagor fails to carry the required hazard insurance or if the lender itself commits an error or omission in its designated insurance responsibilities and fails to place or maintain a mortgagor's policy."

In addition, continues Mr. Norris, "various extensions are included in the standard contract, including coverage for 1) legal liability for errors and omissions committed by the lender in its designated responsibility to place or maintain hazard insurance for the mortgagor; 2) the insured's interest in participation loans and loans serviced for others; 3) the insured's interest in foreclosed property; 4) legal liability for errors and omissions in failing to pay real estate taxes and 5) errors and omissions resulting in failure to notify private mortgage insurers, FHA or VA when a loan is in default."

MGIC provides coverage for residential and commercial properties. Individual building limits are available from $50,000 to $1 million, with a per-occurrence limit of $1 million.

Mr. Norris cautions that, while filings have been made nationally, "availability of the new products may vary, subject to the approval of state insurance departments." However, he adds that he expects all the new products will be available on a national basis by mid-year.

Underwriter. MGIC Indemnity Corp. is the underwriting company for the three new insurance products, as well as directors and officers (D&O) liability insurance and trust department errors and omissions insurance.

MGIC Indemnity Corp. — a wholly owned subsidiary of MGIC Investment Corp. — has specialized in insurance coverages for financial institutions since 1970 and currently is rated A+, XIII by A. M. Best Co. ● ●

ABA Opposes Farm Credit Act Amendments

THE PROPOSED PACKAGE of amendments to the Farm Credit Act of 1971 currently being considered by Congress (HR 4782/S 1465) has the potential for harm to maintenance of a competitive credit environment that serves the best interests of farmers and U. S. consumers. That is what ABA representatives told Congress last month.

In testimony before the U. S. House Subcommittee on Conservation and Credit of the Agriculture Committee, the ABA offered amendments to proposals "that otherwise would emerge as legislation that would have profound bearing on whether the farmer of the future, like the farmer of today, will have two or more types of strong financial institutions bidding vigorously for his credit business."

"While we support amendments that modernize the Cooperative Farm Credit System (CFCS) methods and procedures enabling it to serve the needs of a changing agriculture," Marlin D. Jackson, chairman, ABA agricultural bankers division, and president, Security Bank, Paragould, Ark., told subcommittee members, "we oppose the new authorities this legislation would grant that provide new directions while special treatment under the present law remains.

"The proposed legislation would give the CFCS further authority to provide financial resources outside the farm sector and would be an additional encroachment on the private sector, including the commercial-banking system. It also would expand inequities already existing between operations of private lenders and the CFCS, thereby reducing competition between the CFCS and other lenders."

"If it is the intent of Congress to maintain a credit-delivery system that is inherently competitive among its major lenders, then the proposed legislation should be amended to permit commercial banks and the Farm Credit System to operate under basically the same rules," asserted Walter W. Minger, former chairman, ABA agricultural bankers division, and senior vice president, Bank of America, San Francisco.

"Passage of this legislation without amendments," continued Mr. Minger, "would result in the CFCS being transformed into a nationwide financial entity with powers and special privileges unparalleled. . . ."

Amendments recommended by the banking community are:

- To retain the word "rural" to identify geographical areas in which Federal Land banks (FLBs) can make long-term real estate mortgage loans.
- To apply usury-law exemption equally to banks, agricultural credit corporations and agencies of the CFCS.
- To establish equality on loan-to-appraisal values used by FLBs and national banks.
- To remove the tax-exemption status of FLBs, Federal Land Bank associations (FLBAs) and Federal Intermediate Credit banks (FICBs).
- To place Banks for Cooperatives' export-financing activities under the same regulatory requirements as imposed by the federal government on commercial banks.
- To maintain the present 80% level of farmer-membership requirement (70% for rural electric cooperatives) for a cooperative eligible for Bank for Cooperatives financing.
- To exempt all agricultural-credit transactions from all Truth-in-Lending disclosure requirements for all lenders.
- To prohibit federal chartering of service organizations by the Cooperative Farm Credit System.
- To restrict lending authority of FLBs and Production Credit associations (PCAs) to processing and marketing activities directly related to on-farm operations of eligible borrowers.
- To establish equality in FICB discounting and other services to PCAs and other financial institutions.

"We believe that full competition, so long as it is fair and equitable, is the best way to assure that farmers will continue to receive quality financial services and that consumers will receive good products at the lowest prices." ABA testimony concluded. • •

Long-Term Borrowed Capital Needed by Farmers/Ranchers Reaches Record in 1979

WICHITA — The Federal Land Bank here reports that the need for long-term borrowed capital by Kansas farmers and ranchers reached record proportions during 1979.

According to the bank's president, William S. May, the bank closed 10,155 new loans totaling $747.6 million during 1979. Not only was this amount a new all-time high, he points out, but it exceeded the previous record, $479.7 million in 1978 by 56%.

Unprecedented loan demand lifted year-end unmatured principal at the bank to a record $3.22 billion, which represents 54,087 loans to farmers and ranchers in Kansas, Oklahoma, New Mexico and Colorado.

Prime interest rates increased from 11.75% in January, 1979, to 15.25% at year-end. The Wichita Federal Land Bank held its billing rate to 8.5% until March 1; 9% from March 1-August 1 and 9½% through the remainder of the year. The bank increased its billing rate to 10% last January 1.

Mr. May points out that land owners recognize the importance of their investment, as evidenced by the excellent repayment record of Land Bank borrowers during 1979. At year-end, payments were current on 98.08% of all Land Bank loans for the third best collection rate.

Land Bank loan funds are obtained through sales of Federal Farm Credit banks' consolidated system-wide bonds to the investing public. The Land Bank receives no government funding. It is part of the cooperative Farm Credit System, owned by farmers and ranchers who borrow from it through 44 Federal Land Bank associations throughout the four states. The Wichita Federal Land Bank is the first and oldest of the nation's 12 Federal Land banks.

"If you want the customer but can't make the loan, BA can help."

We can make the loan. Or help you make the loan. And let you hold on to your customer's banking business. We're BA Commercial Corporation. A BankAmerica Financial Service Company. And we're in business to make the business loans you're unable to make. So your customer doesn't go looking for another bank.

We'll work with you. Or directly with your customer. Designing a business loan to meet his specific business needs. If his capital is tied up in accounts receivable or inventory, we'll let either one stand as collateral. Or we can use fixed assets like equipment or real estate.

Your customer gets the capital he needs. You keep the customer. And we get a working relationship with you.

So don't risk losing a good banking customer to another bank. Take advantage of us. Call or write us at one of the addresses below.

You'll find capital your customer can work with. And financing you both can live with.

East: Mr. James E. Perrotta, Assistant Vice President, BA Commercial Corporation, 1105 Hamilton St., Allentown, PA 18101. Phone 215-437-8174.

Midwest: Mr. Darrell E. Clay, Assistant Vice President, BA Commercial Corporation, Suite 206, 1550 Northwest Highway, Park Ridge, IL 60068. Phone 312-298-7290.

South: Mr. James S. Welman, Assistant Vice President, BA Commercial Corporation, Suite 3043, 1545 West Mockingbird Lane, Dallas, TX 75235. Phone 214-630-9833.

BA Commercial Corporation

A BankAmerica Financial Service Company

TIL Guidelines: No Legal Effect on Banks

WITH Congress moving as of this writing toward partial simplification of the Truth-in-Lending (TIL) Act, it is worth noting that one of the factors that refocused attention on that act and Regulation Z was a lawsuit brought by the American Bankers Association.

The suit challenged TIL enforcement guidelines financial regulatory agencies agreed on jointly, roughly a year ago. Those guidelines allowed consumer-compliance examiners to order banks to search their loan records for apparent TIL violations; to compel banks to make reimbursements for "violations" and to require banks to issue letters along with the reimbursements confessing "violation of federal law and regulations."

A court ruling said that Truth-in-Lending enforcement guidelines have no legal effect on banks and are nothing more than "general advisory statements of agency policy."

The ABA urged before the U. S. District Court for the District of Columbia that there is no legal justification for the guidelines and the enforcement procedures they specify.

In a decision handed down in late February, the court ruled that the guidelines have no legal effect on banks and are nothing more than "general advisory statements of agency policy." Most important, the court said that "if a bank should refuse to implement a guidelines principle — by failing to search its records, by failing to make reimbursements or otherwise — no action can or will be taken against it *as a result of the guidelines*." Because this was so, the court said, existence of the guidelines did not harm banks. Consequently, the suit was dismissed.

The decision leads to the conclusion that banks that have received from any regulatory agency a letter asking them to reimburse customers for alleged TIL violations are under no obligation to comply with such requests. Any compliance with a typical agency request to make restitution is, in these circumstances, purely voluntary. Thus, a bank may choose to comply with all, some or none of it. For example, a bank may be willing to make a voluntary reimbursement based on a complete records search conducted by a bank examiner, but unwilling to conduct the requested search itself and unwilling to confess to customers that it has violated the act.

Another conclusion to be drawn from the court's opinion is that the agencies cannot initiate cease-and-desist proceedings against banks based on any alleged violation of the guidelines.

However, the result in the case in no way deprives regulatory agencies of their right to initiate cease-and-desist proceedings for alleged violations of the Truth-in-Lending Act itself or Regulation Z. But now a bank can only be urged or requested to make reimbursements; it cannot be compelled to do so unless a cease-and-desist order is issued. In that case, of course, the cease-and-desist order can be appealed to the courts by the individual bank.

However, one important point to understand is that while compliance with the guidelines is voluntary, compliance with the TIL Act and Reg Z is required. If it is necessary for a bank to amend forms or procedures to achieve compliance, then by all means a bank should make the changes. There then would be no practice the bank would have to "cease," and, arguably, no grounds for any "cease-and-desist" order at all, let alone one that compels restitution for past violations.

How the agencies will react to the court's decision is uncertain. Shortly after the ABA filed suit in August, the agencies proposed amendments to the guidelines and suspended portions of those in effect. Whether the agencies now will lift the suspension, adopt the amendments as proposed or propose new amendments is unclear. What is clear, however, is that if some guidelines do continue in force, the agencies can do no more than *recommend* that banks heed them.

It should be noted that the omnibus legislation pending in Congress as of this writing would permit the agencies to order reimbursements under some circumstances.

For example, the legislation would limit retroactive restitution to borrowers to transactions that took place since January 1, 1977. Also, restitution will not be ordered in cases in which errors fall within the tolerance level of ¼% or where errors are isolated, harmless, clerical ones.

The result in the case in no way deprives regulatory agencies of their right to initiate cease-and-desist proceedings for alleged violations of the TIL Act or Regulation Z.

Finally, the TIL simplification legislation would exempt all agricultural loans from TIL restrictions. The Fed would be required to develop simple model TIL disclosure forms; use of the forms would exempt lenders from exposure to civil liability.

Many other matters of concern to bankers also are a part of the omnibus financial bill. Congressional staff had not completed their drafting of the final bill following lengthy bargaining sessions between members of a House-Senate conference committee, but an initial analysis of the bill includes the provisions described below. The ABA and its members were waiting to see the "fine print" of the bill, but its general thrust appeared clear.

The Fed Issue. The Fed would be granted authority to set reserve requirements for all depository institutions: banks, S&Ls, mutual savings banks and credit unions. Reserve burdens for existing Fed members would be reduced substantially, and reserves needed for monetary policy would be spread over all regulated financial institutions.

The Fed could set reserve levels for

(Continued on page 107)

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

The Mosler Advantage:

Service people wherever you are.

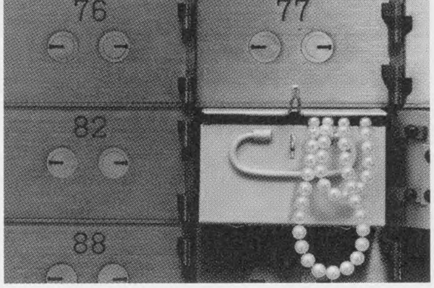
It's a fact that you'll find Mosler service people in places you won't find anyone else. You'll also find that Mosler people understand that getting to you "as soon as we can" just isn't soon enough.

That's why last year alone, Mosler service people drove more than 20,000,000 miles in their custom-equipped vans to keep all kinds of security and transaction products in operation. Twenty-four hours a day. Seven days a week. Even in Alaska.

Another fact. Mosler service people spend up to 20% of their careers staying up-to-date with current technology. So they come to you trained to do the job right. Usually the first time. And always at prices you can live with.

Security products wherever they're needed.

Whether custom-guarding the original Declaration of Independence in Washington, DC, safeguarding the gold in Ft. Knox or protecting valuables in a safe deposit box in Topeka, Mosler stands for excellence everywhere. All because the quality of Mosler products stems from the quality of its people—an advantage our customers can't get from any other security company.



Put The Mosler Advantage to work for you. Start with a copy of our "Scope of Mosler" and "Service" brochures by writing Mosler, Dept. S-80, 1561 Grand Blvd., Hamilton, Ohio.

Quality People. Quality Products.

Mosler
An **American-Standard** Company
Hamilton, Ohio 45012

FDIC, Labor Department Joust to Determine Right To Lift Deposit Insurance

The question of which government agency has the authority to revoke a bank's deposit insurance is being hashed out in Washington. The issue arose when the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) announced it would take a bank's deposit insurance away if the bank was found to be in violation of equal employment practices as provided for in Executive Order 11246.

A spirited rebuttal of the OFCCP stand was made by Irvine H. Sprague, FDIC chairman, who pointed out that only the FDIC has control over deposit insurance.

As a result, the OFCCP has clarified its proposed rules and stated that, as a matter of "enforcement policy," it won't terminate a bank's deposit insurance. However, the OFCCP has yet to admit that it has no authority to revoke deposit insurance.

The FDIC is continuing to work with the OFCCP in an attempt to clarify the situation. The FDIC wants clear authority mandated so the OFCCP can't change its policy and reinstate its assumed control over deposit insurance matters.

Chairman Sprague is on record as fully supporting equal employment opportunities in the banking industry and he says the FDIC has offered to assist the OFCCP in enforcing the executive order.

A majority of U. S. banks are subject to the executive order because they act as government depositories or agents for savings bonds, which are contractural arrangements subject to the executive order. In addition, most insured banks are subject to Title VII of the Civil Rights Act of 1964 which prohibits employers from discriminating because of a person's race, color, religion, sex or national origin.

The FDIC believes that OFCCP has no legal basis for applying the executive order to FDIC's program of deposit insurance because the executive order doesn't apply to the FDIC, which is an independent regulatory agency; the executive order is based on a procurement statute which doesn't apply to the FDIC; the purpose of FDIC insurance is wholly unrelated to the executive order; the Congress has provided in the Federal Deposit Insurance Act that only the FDIC's board of directors can terminate a bank's FDIC insurance and that termination may be only on certain specified grounds.

Chairman Sprague stated, "There is no question about the need or desirability of enforcing the law. We fully intend to work with OFCCP in enforcing the executive order when properly applied to banks."

Regulation Z Guidelines Have No Legal Effect, Banks Told by U. S. Court

Guidelines issued for the enforcement of Regulation Z by federal banking regulatory agencies have no legal effect on banks, according to a ruling by the U. S. District Court for the District of Columbia.

However, because requests made to banks by the agencies to search their loan records for possible Regulation Z violations and to make reimbursements to their customers are requests and not orders, the court dismissed a legal challenge of the enforcement guidelines lodged by the ABA last summer.

Because the agencies' instructions to banks to make record searches and reimbursements are not legally binding, they can't be challenged in a court of law.

The guidelines were adopted in January, 1979, by federal regulators and the ABA filed a legal challenge to them in August, 1979, asserting that there is no legal authority for the guidelines.

Also last August, the regulatory agencies suspended reimbursement orders previously issued under Regulation Z guidelines. Since then, various amendments to the guidelines have been proposed and are being considered by the agencies.

Bills that include provisions for limited reimbursements as well as simplification and improvement of Regulation Z are under active consideration in congress.

Fed's Regulation Z Action Delayed Until May 31

The Fed has delayed the effective date of an action revoking an amendment to Regulation Z from March 31 to May 31 that would have allowed an exception to the "cooling off" period for consumers who pledge their homes as security in open-end credit arrangements.

The delay is due to pending congressional action that would permit the type of credit plans developed under the amendment and in order to prevent hardship to creditors and consumers that would occur if creditors were compelled by the original effective date to make substantial modifications in their open-end credit plans.

During the extension, creditors will be prohibited from offering new plans or expanding existing ones.

Uniform Exam Policy For Classifying Late Loans Adopted by Fed Regulators

A uniform examination policy for the classification of delinquent consumer installment loans held by commercial banks has been adopted by regulators. Effective date is June 30.

The policy replaces those that vary among the agencies with standardized examination practices and provide consistent statistical data.

The policy establishes, for the purposes of bank examination, the following standard classifications for delinquent consumer installment loans:

- Loans that would be classified as losses to the bank: Open-end credit (such as credit obtained by use of a credit card) that is overdue by 180 days or more; closed-end credit (such as a car loan) overdue by 120 days or more.
- Loans that would be classified as substandard: Open-end credit that is overdue by 90 to 179 days; closed-end credit that is overdue by 90 to 119 days.

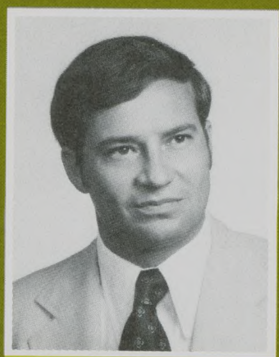
The policy recognizes that some flexibility in such classifications may be appropriate provided bank manage-

THE GREENWOOD CONNECTION

A lot of things are happening in Greenwood, Mississippi . . . soybeans and cotton grown in the area enjoy a growing world market while rice production steadily increases. And this agricultural activity is balanced with an expanding diversity of manufacturing operations. You just may need a connection here someday. ■ Well, you already have one and his name is Jerry Hall, president of the Bank of Greenwood. He knows who you may need to know. ■ In Greenwood, the bank you need to see is the Bank of Greenwood.

The man you need to see is Jerry Hall.

The Bank of Greenwood
P.O. Box 945
Greenwood, MS 38930
Phone 455-1531



The Bank of Greenwood

Greenwood, Mississippi Member FDIC

Branch of First National Bank of Jackson, Mississippi ment can clearly demonstrate that exceptions are warranted.

The policy differs from earlier proposals in classifying as losses open-end delinquent consumer installment loans after 180 days, rather than 120 days. It also makes a number of clarifying definitions for consumer loans, delinquencies and statutory bad debts and clarifies the circumstances in which partial payments may be considered by examiners as full payments.

Interlocks Act Changes Approved by FDIC, Others

The FDIC, in conjunction with other regulatory agencies, recently adopted final amendments to Part 348 of its regulations that implement the Depository Institution Management Interlocks Act (Title II of the Financial Institutions Regulatory and Interest Rate Control Act of 1978).

Purpose of the act is to foster competition among nonaffiliated banks, S&Ls, credit unions and HCs and their affiliates by prohibiting management official interlocks among such institutions and affiliates, depending on their size and location.

The amendments add these provisions to the regulations:

• A definition providing that any individual who has an express or implied obligation to exercise management functions on another's behalf is that other person's "representative or nominee."

• A description of eligibility for grandfather rights.

• An explanation of when "changes in circumstances" will shorten the period of grandfather rights or cause nongrandfathered interlocks to become prohibited.

• An exception to the act's prohibitions that may be approved by the FDIC's board of directors when an institution faces the loss of more than half its management officials due to a change in circumstances, such as a merger, consolidation, branching or growth in assets.

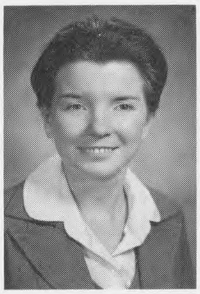
NEWS OF THE BANKING WORLD

• **J. W. McLean,** chairman, Liberty National, Oklahoma City, recently received an autographed silver tray on completing his term as president of the Federal Advisory Council. The tray is autographed by the seven members of the Fed's Board of Governors and the other 11 members of the council (one from each Fed district) with whom Mr. McLean served the past three years. He was succeeded as council president by Clarence C. Barksdale, chairman/CEO, First National, St. Louis. James D. Berry, chairman/CEO, Republic of Texas Corp., Dallas, has been elected vice president and a director of the council. He has been 11th Fed District advisory councilman since 1978.

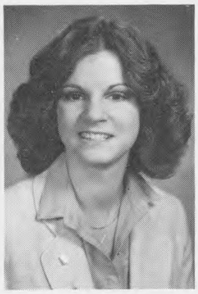
J. W. McLean (r.), ch., Liberty Nat'l, Oklahoma City, and immediate past pres., Federal Advisory Council, receives autographed silver tray from his successor, Clarence C. Barksdale (l.), ch./CEO, First Nat'l, St. Louis, and Paul A. Volcker, Fed ch.

• **William J. Filkosky** was elected president/chief operating officer, Central Trust, Cincinnati, last month. Oliver W. Birckhead, who was president, was elected chairman and remains CEO. Mr. Filkosky, a bank director since March, 1979, joined Central Bancorp., HC of which Central Trust is the anchor bank, in 1972. Before his recent promotion, he was executive vice president of the HC. He has been a banker about 33 years. Mr. Birckhead, president/CEO, Central Bancorp., joined Central Trust in 1951, going from New York City's Chemical Bank.

Corporate News



BRETT



FIMIANO

• **Christmas Club a Corp.** This Easton, Pa.-based firm has promoted Renée Brett from manager/customer services, to manager/communications and order control and Carol Fimiano to manager/customer services. Miss Brett and Miss Fimiano joined the firm in 1973.

• **American Express Co.** This New York-based company has acquired First Data Resources Inc., an Omaha-based processor of credit and debit card transactions for about $50 million in cash to be paid over the next four years. The newly acquired company provides data entry services, descriptive billing and mailing services, card embossing, authorization and security services to about 130 financial service institutions in 38 states. Also, it provides similar services for several air lines and retail stores.

William M. Dalton Dies

NEWTOWN, PA. — William M. Dalton, 53, president and founder, W. M. Dalton & Associates, Inc., died February 24 after a two-year battle with cancer.

Mr. Dalton founded his firm 20 years ago. He was active in many committees of the ABA, Bank Marketing Association and National Premium Sales Executives.

Left to right:
William Antoniello, Senior Vice President, Director of Data Processing Department
Ronald H. Allison, Assistant Cashier, Contract Services Group
John E. O'Connor, Vice President, Correspondent Division
Paul G. Ward, Assistant Cashier, Correspondent Division
Roy D. Witham, Assistant Vice President, Manager, Contract Services Group

The First offers you a team of correspondent banking professionals and specialists in advanced data processing technology.

CharterBank

FIRST NATIONAL BANK
OF KANSAS CITY

10TH AND BALTIMORE □ BOX 38 □ KANSAS CITY, MO 64183
(816) 221-2800 □ MEMBER FDIC

If you're a Full Service Bank,

why keep it a secret?

If you're a member of the American Bankers Association, you are A FULL SERVICE BANK.® So display the A FULL SERVICE BANK symbol. After all, with banking's growing competition, why keep it a secret?

Display the A FULL SERVICE BANK symbol on your doors, drive-in windows and in your advertising. It tells your customers you offer one-stop banking convenience in a place that's professional and accommodating.

Display the symbol and your bank automatically benefits from the ABA, "We've Got The Answers" national advertising campaign. Your dues have helped finance this $5 million campaign to help you compete against the S&L's, savings banks and credit unions.

Using the symbol says you're part of a nationwide banking community that's got the answers to all banking needs. Even if you are a small bank, without all services in house, you can provide any banking function through correspondent relations.

So display this symbol. When your customers see it, they'll know you've "Got The Answers."

For free decals, call or write Gwen Strickland, Media Coordinator, American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036, (202) 467-4187.

Display this symbol.

AMERICA'S FULL SERVICE BANKERS

Merrill Lynch:

A BIG Competitor For Bank Deposits

ADD another competitor to the pitched battle for deposits: Merrill Lynch, Pierce, Fenner & Smith, Inc.

The giant stock brokerage firm is aggressively courting investors with $20,000 in cash and securities for its Cash Management Account, a brokerage account tying a high-yielding money-market fund to the banking industry's bedrock service, a checking account. Balances continue to earn interest at money-market rates until checks clear.

A spokesman for the firm in New York City says there's about $1 billion in investment funds in CMA, and it's being offered by 140-150 Merrill Lynch offices throughout the country.

Mid-Continent-area bankers, virtually powerless to combat the Cash Management Account effectively, are resigned to the new competition. "It's hard to compete with these right now," says one. "Most people are rate conscious today, and they're working their funds for the highest rate." Another banker adds: "It's an attention getter for the people with that kind of money ($20,000). Obviously, it's going to take away some money."

Merrill Lynch, in fact, isn't shy about whom it wants for customers. Mass-mailed letters are addressed to investors "who want better control over their own money. The key to controlling your own money — to making your liquid assets work as hard as they can — is having access to money-management tools that, until now, have been unavailable to most individuals."

The Cash Management Account "is a brokerage account that allows you to buy and sell securities for cash or on credit just like any Merrill Lynch margin account," a 12-page brochure tells prospective clients. "If you do not wish to use margin, you don't have to. You may use your CMA as a regular non-margin investment account."

Moreover, CMA is more than just a brokerage account. Its six major features separating the Merrill Lynch service from those of competing brokerage houses are:

• Automatic investment of cash balances. "Your available cash balances are automatically invested each Monday in shares of a no-load money-market fund that declares and reinvests dividends daily. You don't have to move your cash out of your account to earn a return — it's done for you."

• Checking services. "These checks are intended to give you a great advantage over most brokerage accounts — you can access the value of the assets in your account anytime even though it is not a bank account. You get your money the minute you want it by writing your own special check. In addition, you pay no per-check or imprinting charges for these checking services." Checks are issued by Bank One of Columbus, O.

• Visa card. The credit line, based on the account's assets, "is not restricted to an artifically low limit" and could be as high as $99,990. Charges are automatically debited against the account. The card also is issued by Bank One.

• Favorable interest costs. "With both your Visa card and checking services, you always use your least expensive money first. When you owe money for a security purchase or a Visa card charge or check you have written, any cash in the account (funds not already invested in the money fund) is used first to pay the amount owed." And only enough money-fund shares are liquidated to pay the amount owed.

• Instant loans. Borrowing power is available "for virtually any day-to-day financial need (everything from paying a department-store bill to buying a car)."

• Summary statement. "To tie all these services into one neat package,

> Merrill Lynch's Cash Management Account (a brokerage account) has six major features:
> Automatic investment of cash balances.
> Checking services.
> Visa card.
> Favorable interest costs.
> Instant loans.
> Summary statement.

CMA gives you a comprehensive monthly statement, which lists all transactions in the account chronologically. This convenient statement means that you will spend less time balancing your personal financial books."

"The key words in your Cash Management Account are that all these financial functions *interact* for greatest *efficiency*," a companion pamphlet reads. "The benefit to you is creation of a new integrated source of spendable cash, income and/or savings.

"In summary, CMA puts several of the most important parts of your financial life together to work as one for you — and makes it easy for you to both understand and use your financial power for the years ahead."

"They're offering something a bank can't offer," says a banker who prefers anonymity. "I think you'll see this (type of account) as long as rates are high," although he expects interest "to back off" when rates decline. Meanwhile, the only defense is safety, the federal deposit insurance angle. "We only mention the guarantee. That's about all you can do," he says.

Merrill Lynch, however, addressed the safety issue early in the sales brochure. "With a CMA, your account is protected in the same way as any other Merrill Lynch customer. Merrill Lynch is a member of the Securities Investor Protection Corp., which protects securities customers of its members in liquidation up to $100,000 (limited to $40,000 for claims for cash). In addition, each of our customers receives up to $400,000 in coverage through our own special surety bond with one of the nation's largest surety and casualty companies." • •

ABA Creates Banker Strike Force To Meet Money-Market Competition

IN AN EFFORT to meet the unprecedented competition of money-market funds, the ABA has put together a banker strike force whose basic charge is to approach the question of these funds with a pro-competitive posture. According to ABA President C. C. Hope Jr. (vice chairman, First Union National, Charlotte, N. C.), the strike force will engage in an "intensive evaluation of the alternatives and options available to the banking community for meeting the money-market funds' new competitive challenge."

Mr. Hope points out, "The money-market funds have grown by over $40 billion in the past 12 months, with a specific portion of those funds being drawn out of community and regional banks. They now have over $50 billion in assets, and the outlook is for them to grow five-fold in the coming year. We cannot treat this as a short-term aberration."

Robert W. Renner, president, Citizens State, Hartford City, Ind., heads the strike force, which Mr. Hope appointed at the suggestion of the ABA's government relations council, of which Mr. Renner is a member.

Mr. Renner expected to produce recommendations for the association by late last month.

"We recognize," he says, "that money-market funds are a response to a genuine marketplace demand for higher yields and instant liquidity. The problem is that banks and other depository institutions are not able to compete under the same rules and regulations."

Banks are under and will for some time remain under federally imposed

RENNER

savings interest-rate ceilings far below yields offered by money-market mutual funds, Mr. Renner points out. The problem is exacerbated by the fact that money-market funds also are offering a service traditionally reserved to commercial banks — the checking account.

Mr. Renner says some of the options his strike force would consider include:

- Efforts to bring under traditional regulation any money-market-mutual-fund activities (such as checking accounts) that are identical to banking services.
- Efforts to deregulate banks more rapidly to enable them to compete directly with the new intermediaries.
- Accelerated development of new, competitive deposit instruments that banks could offer in response to money-market funds.

Other strike force members are:

W. Kenneth Bonds, chairman of the trust committee/executive vice president, Liberty National, Oklahoma City, and member, ABA trust division; William W. Quigg, president, Central Trust Bank, Jefferson City, Mo., and ABA council member; Clifford H. Coyman, president/CEO, United Jersey Bank, Hackensack, and head of a New Jersey Bankers Association group concerned with money-market mutual funds; John M. Daigle, president/CEO, Casco Bank, Portland, Me.; Paul J. Foley, president, Massachusetts Bankers Association, Boston; Daniel S. Goodrum, president, Century Banks, Fort Lauderdale, Fla., and member, ABA government relations council;

Robert C. O'Malley, president, United Bank, Madison, Wis., and member, ABA council; Carl E. Reichardt, president, Wells Fargo Bank, San Francisco; C. Gale Sellens, president, Denver National, and member, ABA government relations council; Virgil E. Solso, vice chairman, Oregon Bank, Portland, and ABA treasurer; and Sung Won Son, senior vice president/chief economist, Northwestern National, Minneapolis, and member, ABA economic advisory committee. • •

Career Day at Harris

Harris Bank of Chicago's staff members Phyllis Douglass (l.), personnel representative, and Cecil R. Coleman, v.p./trust dept., were organizers and speakers at recent "Career Day" held at the bank for more than 85 black students from 14 Chicago-area colleges and universities. Valerie Walker (c.), Northwestern University senior, learned about banking career opportunities and tips on academic training for jobs in finance.

Direct Mail: One of the Most Useful Forms Of Advertising

"... If direct mail is used well and consistently, a bank can bring its services and products before the public most disposed to make use of them." Carl Martinson, Mercantile Bancorp., St. Louis.

DIRECT-MAIL advertising can serve as a high-powered complement to a mixed-media advertising program or it can stand alone to communicate a bank's sales message. But using direct mail effectively is not a matter simply of jotting down a few lines, inserting them into an envelope and mailing it off.

Direct mail can be one of the most interesting and useful types of advertising because if it is done correctly, it can be highly controlled and used to study specific markets. Many variables can be tested, and variables that are the most effective in soliciting good banking prospects can be isolated and used to their fullest advantage.

Carl Martinson, corporate advertising and promotion manager, Mercantile Bancorp., St. Louis, said in a recent interview, "Using media such as television and radio can be expensive, and it may be difficult to know what effect it is having on the market; how much business it did bring into the bank.

"You can measure its effect in terms of awareness or in terms of recall, but it is difficult to understand and evaluate the effect of such advertising.

"When you use direct mail, you can use some device that gets someone either to inquire about additional information or to sign up in some way. Therefore, you have a bona fide prospect or a bona fide inquiry. And you can precisely measure your bona fide rate of response."

Direct-mail advertising tends to be different from other advertising in that there is a stronger emphasis on a specific action that is required for a prospect to make to reap a specific benefit.

Mr. Martinson said, "If it's a specific product or a service you are promoting, be certain the *benefits* of that service are most pronounced and not necessarily the *features* such as the interest rate that is being paid on a savings account. More important to a prospect is that a savings account that a certain number of dollars is added to each month will mean a child will go to college.

"Get right down to the benefits and let the prospect know clearly what to do to get them, and perhaps even provide the prospect with a response vehicle to be mailed back to the bank or presented in person. If you do not ask for a response (plainly ask!) and if you do not make it easy to respond, no one will."

A good first attempt in a direct-mail campaign is a mailing designed to cross sell services to already established customers. "Banks have good mailing lists of their own that they can generate internally," Mr. Martinson said. "You can cross sell to people with checking accounts who do not have a savings account, to savings-account holders who do not have checking accounts and to persons who have both, but do not have a credit card. Perhaps you have people who have checking and savings accounts, but have never borrowed to purchase an automobile.

"It takes work to create the lists, but selection criteria can be established and a computer can generate a list. The

A good first attempt in a direct-mail campaign is a mailing designed to cross sell services to already established customers.

computer is a marvelous thing. It can break things down in many ways. The system that breaks things down for accounting purposes also can be used to break things down for marketing purposes. It's possible to have a computer program generate labels for direct-mail purposes."

On a first project, it's a good idea to do some testing to determine what response rate is achieved, using certain variables: colors, creative approaches, mailing lists, service being promoted, etc.

When getting started, set up a program for which the response rate is likely to be manageable. By mailing a relatively small number of pieces (for which a reasonable response rate is about 3%), a bank can determine if the mailing is effective at a low cost, and if the response is good, the service department(s) of the bank involved in the promotion will be able to handle the new business properly.

If less than a 3% return comes back from a mailing, it may not be because the concept is bad, but because there are adjustments in the approach that need to be made. If response is over 3%, it's a good idea to do another mailing soon — you'll probably get a second wave of responses.

"I think a big mistake that many have made in using direct mail is frequency of mailings," said Mr. Martinson. "The factor of frequency often is simply not considered at all. No one would expect a newspaper ad to work well if it ran only once. The same principle applies to direct mail."

Mr. Martinson commented on use of direct mail by smaller banks. "I think a small bank in a large metropolitan area really needs to look hard at direct mail, primarily because it may be all that is reasonably available. A bank's trade area generally is going to be within a three-to-five-mile radius around the bank. Buying television time, newspaper space or radio time in a densely populated area is going to be expensive and inefficient. These banks would be wiser, I think, to develop good, up-to-date mailings for use within their trade areas."

Comparing cost of direct mail to other forms of advertising, Mr. Martinson said many may be shocked initially at what seems to be an expensive proposition. "But," he said, "if direct mail is used well and consistently, a bank can bring its services and products before the public most disposed to make use of them.

"The other thing to consider when looking at direct-mail cost is to include in the accounting the value of future business as well. You may say it cost $3.82 to bring this customer in the door and that's not worth it. But, how long will the customer bank with you and what do you expect to happen to that account over time? To judge the success or failure of a direct-mail campaign, the spin-off business must be added in, too."

One of the most influential variables in a direct-mail campaign is the group to which the mailing is sent. "You need to determine, before mailing, that those to whom you are mailing meet certain criteria necessary for the target group if bona fide prospects are to be found," Mr. Martinson said. "You've either done your research or someone else has, but you have to sit down and describe your target group by age, income, by certain life-style characteristics, by place of residence — whatever.

"Direct-mail suppliers have had experience in using mailing lists to target mailings and in creating mailings themselves, and they can be helpful in developing mail campaigns.

"When choosing a direct-mail supplier, it should be somebody who not only handles the preparation of the mailing — getting it folded, getting the envelopes addressed, getting it to its destination — but also someone who knows what gets people interested, what to say, how to construct a mailing.

"Direct-mail suppliers, if they are listened to, can work because they know what has worked in the past. There is a great deal of research that backs up direct-mail procedures. It's a highly controllable form of advertising.

"Direct mail is honest. It will tell the accurate dimensions of the market. You have to be prepared for the truth, but you can count on what direct-mail responses tell you." ••

Tellers' Errors Reduced at Least 85% With Cash-Incentive Program

A "TELLER TERRIFIC" cash-incentive program at Citizens Bank, Jeffersonville, Ind., rewarding courteous and efficient service reduced teller errors at least 85%. So says Mary Lynn Schuler, marketing director.

"We wanted better than average tellers" in terms of friendly customer service and accuracy, Miss Schuler explains, "and we thought a cash incentive was the best way to do it." The program began in February, 1979, following a three-month test in late 1978.

Every other month, tellers at Citizens Bank's seven offices (an eighth is a one-person facility) were judged on accuracy, attendance and attitude. Goals for accuracy — number of days out of balance and amount, number of proof changes — were based on each branch's historical experience. The bimonthly winner received $25 at the branch office's monthly staff meeting and was eligible for Teller Terrific of the Year honors. The award also was noted in the employee's personnel file. In cases of ties, the branch manager's rating of attitude was the deciding factor.

As an added incentive for error-free work, Citizens Bank paid any teller who went a whole month without an error a cash award of $25. "We'd never had anyone do that before," Miss Schuler says. The result: One teller qualified the first month, and another "did it three months in a row. She's now an assistant branch manager." The incentives created some friendly competition, she says.

Thirty-five of 52 full-time and part-time tellers won Teller Terrific honors and competed for the Teller Terrific of the Year award, a $100 cash award. The runner-up received $50, as did the part-time Teller Terrific of the Year. A photograph of the winners and their branch managers appeared in the local newspaper.

The Teller Terrific program is continuing this year and, says Miss Schuler, "if it keeps working as well as it has been, we will continue it."

Communication Skills Honed To Build Customer Rapport

Branch managers and consumer lending officers at St. Joseph Valley Bank, Elkhart, Ind., are increasing their communication skills to build better rapport with customers. In groups of about 15, staff members spend one day for each of three weeks in a training program led by professional human relations consultants.

Arrangements for the program were made by Chuck Phillips, senior vice president, consumer banking; and Karen Thomson, vice president, consumer services. Miss Thomson, who also participates in the program, says, "The better able we are to communicate in a style that our customers understand, the better we do our job and increase business. The seminars show us how individuals perceive the world differently."

Program participants improve their perception and communication skills through small group exercises and experiential homework assignments with their customers. A side benefit is improved communication among bank personnel.

"Because our staff is our most valuable asset," says Miss Thomson, "we invest in them. We are responsible for providing them with the best possible tools to do their jobs."

Employees of St. Joseph Valley Bank, Elkhart, Ind., participate in small group exercises to promote direct learning experiences in bank's interpersonal communications training program. Object of program is to make employees better communicators with customers.

John P. Wright, pres., American Nat'l, Chattanooga, Tenn., is shown with "We're Listening" display. This is bank's effort to turn Comptroller's customer-complaint program into positive one for bank.

'We're Listening'

A Successful Program In Customer Communication

A BRIEF question posed to the office of the Comptroller of the Currency by John P. Wright, president of American National of Chattanooga, Tenn., has resulted in the opening of a direct line of communication between the bank's management and its customers.

On the 1978 introduction by the OCC of its customer-complaint forms — which must be displayed in every national bank branch office — Mr. Wright wrote the Comptroller and expressed concern about the negative nature of the program. "The Comptroller's program is entirely negative because it allows a customer to register only complaints," said Mr. Wright. "Completion of this form actually is a request by the customer for the OCC to intervene, investigate and resolve specific claims," he said, "and all correspondence is between the customer and the OCC."

Mr. Wright believed increased communication between individual customers and their bank's management would greatly lessen the occurrence of major consumer problems. In addition, he felt the overly negative tone of the OCC program was counterproductive because it suggests consumers will require intervention by the agency in solving disputes.

"I felt a procedure should be included in the communication process whereby our customers could speak directly to us . . . to tell us what we are doing right as well as point out what we could improve upon," Mr. Wright said. This type of localized communication, he felt would be far more resultful than including an outside agency in the process to act as arbitrator.

"We're Listening" displays with folded response forms are in each branch of American Nat'l, Chattanooga.

The Comptroller replied to these remarks by first agreeing that a more positive approach to customer communications would be beneficial, but such a program should be implemented by individual banks and not the OCC. Secondly, the Comptroller's office said its complaint form was geared more toward major disputes and is to be used only after the consumer has exhausted every other available means of solving the problem.

At this point, Mr. Wright called in his bank's marketing department. He suggested it design a communications program that would give customers direct access to management. Mr. Wright said, "Rather than trying to address only major problems, I strongly believed our customers should have a means to communicate their opinions regarding our day-to-day operation — both positive as well as negative." Such a program, he reasoned, would allow management to view the bank as its customers see it. This unique point of view would be important to future operational decisions and also would help in alerting management to problem areas so action could preclude the need for OCC intervention.

Based on an established need for such a system, the marketing department developed a consumer-reply form and administrative procedure to meet that need.

"We're listening" works like this: Postage-paid customer-response forms are displayed at every American National branch, alongside the OCC forms. A free-standing display card holds the forms and tells customers in bold type, "We want to keep our lines of communication open to you, our customers." Mr. Wright's signature appears below the statement, which also reads, "When you have a comment, a suggestion or a 'pat on the back' for us, we'd like to know. If you'd like to see us offer a new service or improve an old one, just tell us."

The form itself is a three-panel piece with copy asking the customer to rate the bank's services and personnel on a polar scale of excellent to poor. The respondent also is asked to rank the things about American National he likes most and, conversely, the things he likes least. Additional space is provided for customers to include subjective comments and/or raise questions regarding specific bank services and policies.

The form is addressed to Mr. Wright, who reads each completed questionnaire. Then the form is forwarded to the marketing department, where the information is logged by the research officer according to responses. Specific comments or inquiries also are logged.

From the marketing department, the completed form is routed to the bank officer whose experience, position and responsibilities best equip him or her to answer personally the customer's inquiry or comment. Each customer who completes and returns a "We're Listening" questionnaire receives a prompt, personal response from an American National officer.

"It is this two-way communication that makes our program work," says Mr. Wright. On researching specific comments, management may determine whether action is necessary, then plan and take that action. "If a customer expresses favor for a specific service, policy or staff member, the appropriate supervisor is alerted, thus reinforcing the bank-wide commitment to providing service of the highest quality," says Mr. Wright. The customer also is thanked for his comments and urged to contact an officer should additional contact or service be desired.

The marketing department receives a copy of each personal response, which is also filed with cumulative data. All this information is tabulated and evaluated periodically for trends and effectiveness of action taken by the divisions.

Since the program's inception, the bank has received more than 100 responses, with fully two thirds of those being positive in nature. "Both the rate of response and the nature of the majority of responses are remarkable, since it can be assumed people with complaints usually are more motivated to respond than those who are satisfied with service received," Mr. Wright says.

A majority of the responses are retail-operation oriented. Comments and inquiries cover such topics as operating hours, branch location and parking facilities, as well as specific services, such as American National's ATM service, "Teller-24." Isolated responses include a comment regarding loan policy — forwarded by a customer who had been turned down for a loan — and a question as to why the bank does not pay interest on checking accounts.

In responding to comments and inquiries of this type, the officer takes much care to be sure the customer understands the policy or regulation in question. If customers' comments and inquiries are of an urgent nature, the responding officer often makes telephone contact on receipt of the "We're Listening" form.

At the time of this writing, every customer inquiry received had been positively answered or appropriate action taken.

"We are indeed pleased with the many positive responses received via the 'We're Listening' program, and I also am happy that every problem brought to our attention so far has been handled successfully by one of our officers," says Mr. Wright.

The program, then, has helped provide a new, direct link of communication between American National's management and its customers. Many persons have taken advantage of the program and have let management know how they view the bank and its services. Management, on the other hand, is interested in customers' points of view. Opinions expressed through the "We're Listening" program will be considered in future marketing and operational divisions. • •

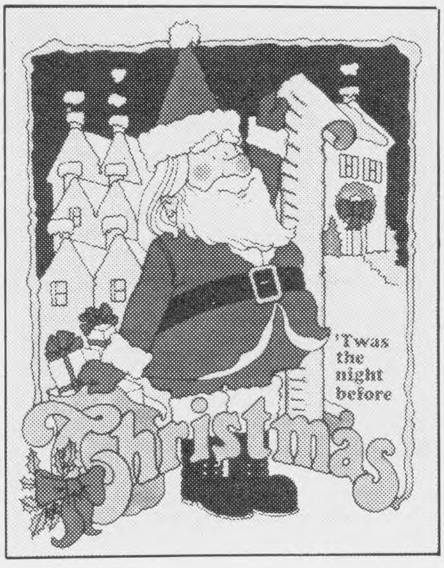
Christmas Kit Promotion Available to Banks, Thrifts From Christmas Club Firm

A new full-color coordinate entitled "The Night Before Christmas" is available from Christmas Club a Corp., Easton, Pa., to enable banks and thrifts to promote Christmas Club programs or to open new accounts.

"The research-proved ability of Christmas clubs to cross-sell other services led us to develop this new coordinate so banks and S&Ls can even more effectively provide this vital program as well as offer other services to these steady customers," said John H. Guinan, president, Christmas Club.

The package includes coupon books, passbooks, envelopes and applications, shopping bags and a Christmas card list, a pocket calendar, a teller badge, a statement enclosure, softsheet posters and easel display cards, window decals and a radio jingle. Repro tie-in illustrations are available in three sizes so financial institutions can tailor-make their own ads.

A special line of premium incentives is included to bolster sales of the new program, including a wall plaque/tray, a glass beaded candle, an inflatable Santa Claus, a snow globe, a set of Santa's helpers, a "mouse in a bag" bank, a weekly memo pad, a memo board and a Christmas coloring book.



Sample of tie-in illustration available with "Night Before Christmas" kit that enables banks, thrifts to tailor-make ads promoting Christmas Club accounts.

'Bounties' Paid Depositors By Bank in Chicago To Bring in New Customers

IN THE SCRAMBLE to get new business, banks are using all kinds of "lures" designed to reel in deposits. They may offer premiums, package plans, chances to win free trips to exotic places such as Hawaii and Mexico, even — in this energy-conscious society — free gas.

Bank of Ravenswood, Ill., came up with the idea of offering "bounties" to present depositors who bring in new customers. The objective is to meet and, hopefully, beat competition from downtown Chicago banks and S&Ls. Bank of Ravenswood is located on Chicago's north side. The "bounties" or "finder's fees" range from $40 to $8,000.

As of this writing, the bank had attracted $12 million in new deposits from the Windy City's downtown banks and S&Ls. The program began last December and will continue indefinitely.

"Despite voluminous paperwork, senior management seems to agree that the program is a success," says Roxane Willens, marketing representative.

This illustration was on front cover of direct-mail piece sent by Bank of Ravenswood, Ill., to customers to tell them about bank's 'bounty' program. Items pictured are from downtown Chicago banks and S&Ls.

According to Bank of Ravenswood's finder's fee schedule (reproduced with this article), a depositor receives money for bringing a north side customer to the bank from any downtown bank or S&L. Examples of bounties are: $40 on a $1,000, one-year certificate of deposit; $60 on a $10,000, six-month CD; $8,000 on a $100,000, eight-year CD.

"Why a bounty?" asked an advertisement that ran in six different Chicago publications. "Because north side money belongs in a north side bank so that it can be reinvested in north side communities. For the people of our communities, that is more important than financing international projects or big-business ventures. Particularly during a time of tight money when neighborhoods are scrambling for mortgages and small-business loans.

"Bank of Ravenswood believes strongly in community reinvestment. We keep our money here, or more

(Continued on page 111)

FINDER'S FEE SCHEDULE

Amount	Certificate of Deposit Maturities					
	6 month T-CD	1 yr.	2½ yrs.	4 yrs.*	6 yrs.	8 yrs.
$1000	—	$40	$50	$60	$70	$80
$2500	—	$100	$125	$150	$175	$200
$5000	—	$200	$250	$300	$350	$400
$10,000	$60	$400	$500	$600	$700	$800
$25,000	$150	$1000	$1250	$1500	$1750	$2000
$50,000	$300	$2000	$2500	$3000	$3500	$4000
$100,000	$600	$4000	$5000	$6000	$7000	$8000

Certificates of Deposit may be issued in any amount of $1000 or more – except 6 month certificates require a minimum deposit of $10,000. This schedule only lists fees for sample amounts; fees for other amounts will be calculated on a pro-rata basis.

**Not including Variable Rate Certificates.*

This finder's fee schedule, published in ads and direct-mail pieces by Bank of Ravenswood, Ill., shows customers how to figure how much money they would get for bringing in new CD customers.

Bank's Seminars Teach Employees, Correspondents How to Sell IRA and Keogh Plans

"WELCOME to Birmingham! Now let's get down to business."

When bankers from all over the Southeast visit Central Bank of Birmingham's personal retirement seminars, they receive a greeting much like that from Austin Meeks, coordinator, developer and headmaster of the workshops.

It isn't that Mr. Meeks isn't friendly, it's just that he doesn't waste time. As manager of Central Bank's personal retirement department, he can't afford to.

Central Bank, like other banks across the country, has discovered that the stable, long-term deposits in individual-retirement-account (IRA) and Keogh plans are well worth asking for — and it is Mr. Meek's job to go after them.

He and many other IRA and Keogh salespersons in the Central organization have been successful. Since forming the personal retirement department in 1977, Central Bank now has over $15 million in IRA and Keogh deposits statewide (through its holding company affiliates) with approximately one-third of the deposits located in the Birmingham bank.

TOP RIGHT: Len Shannon (l.), e.v.p./chief operating officer, Central Bank of Birmingham, livens up bank's personal retirement seminars by drawing for door prizes. Austin Meeks, IRA coordinator, looks on.

LEFT/BOTTOM RIGHT: Participants (350 in all) in Central Bank's personal retirement seminars came from seven southeastern states to learn about and how to sell IRA and Keogh plans.

While marketing the retirement plans to its retail customers, Central Bank found there was some confusion about the plans and the complicated restrictions and regulations that govern them, both among consumers and bankers selling them.

This difficulty in understanding the complexities of IRA and Keogh led Central Bank to develop seminars designed to educate its people so that they could easily handle any questions customers might have.

Who was responsible? Austin Meeks.

"When we realized that questions were going unanswered about our retirement accounts, we felt it was imperative to make sure our people knew their business before we made an all-out effort to sell the program to consumers," Mr. Meeks explains.

"We made presentations to all branch employees, our directors and our management trainees to literally 'teach' them about IRAs and Keogh."

This seminar experience was extremely successful for Central Bank and from it came the idea to take it outside the bank — to correspondents.

"The in-house seminars were working so well that we knew we had a good program," Mr. Meeks says. "And because we had had a problem with understanding IRA regulations, we figured other banks had the same problem.

"In other words, we had a ready market for the IRA seminars. All it needed was packaging."

The packaging came easy. Central Bank of Birmingham maintains correspondent relationships with over 450 banks through its southeastern division, so it was natural that if the product was proved (which it was), and had a market (which it did), its success would be guaranteed.

Indeed, the IRA seminar was included in the array of services offered to correspondent customers, and the response has been brisk.

To date, the Central Bank team, headed by Mr. Meeks, has held five IRA seminars for groups from seven southeastern states — 350 bankers in all.

According to Mr. Meeks, teaching other bankers the "how tos" of retirement plans is a pleasant — although busy — task.

"Most of the participants come eager to learn how to sell IRA and Keogh, so

What's on TV?

the Price is Right

The Newlywed Game

THE HOLLYWOOD SQUARES

Star gifts from Kanney Marketing.

Grace China and Stoneware, Grace Flatware, Princess Grace Crystal and Gateway Luggage are the action-getting deposit promoters exclusive with Kanney Marketing. And now, they're seen by hundreds of millions of your customers all year long as featured prizes on "Hollywood Squares," "The Newlywed Game," "The Price is Right" and other popular TV game shows.

For passbook dollars or long term deposits, at the lowest net cost, why not consult the Kanney organization about a specially designed promotional program to achieve the specific marketing goals of your institution? Deposit and cost projections are provided in every case. Kanney professionalism virtually underwrites success.

For almost two decades... continuous delivery, 100% return privilege, and expert assistance with promotion and display. Call collect, or write for our brochure today.

KANNEY
marketing services

"Financial Marketing is Our Only Business"

90 Plant Avenue, Hauppauge, New York 11787 • (516) 273-0055

their eagerness makes it easy to teach them," he says.

"Also, because they are already interested in the plans, they have a working knowledge of what they are about. Most of the participants come simply to be updated on recent legislative changes regarding IRAs."

The most recent seminar, held last fall, was centered not only around changes in legal requirements regarding IRA, but also taught the fundamentals needed to sell and administer the important core deposits.

Along with the basic rules and regulations necessary to establish the IRA and Keogh plans, Central Bank includes a practical workshop in each seminar. This workshop provides each person the opportunity to prepare a proposal for a retirement customer and then, through role playing, actually to "sell" the IRA proposal.

"Their role playing and involvement provide each participant with the working knowledge and confidence he or she needs to sell the retirement plan on returning home," Mr. Meeks explains.

As mentioned before, Central Bank's personal retirement department is responsible for each seminar. Mr. Meeks and his assistant, Sandy Wright, teach the sessions and provide the operational assistance needed to accommodate participants. This service includes registration, hotel and motel reservations, travel arrangements, etc.

Miss Wright also assists Mr. Meeks in selling IRAs as well as in conducting IRA and Keogh training classes for Central Bank's branch employees and officers.

Another responsibility taken on by the personal retirement department is to help Central Bank's correspondent arm — the southeastern division — sell the seminar service to prospective customers.

To do this Mr. Meeks and Miss Wright provide an IRA marketing package to correspondents. This package contains setup files, to open and maintain the accounts; an IRA manual; sales tools for customer counseling; techniques for employee training inside the bank; and on-going consultation and support.

And what does Mr. Meeks have to say about his correspondent ties?

"The fact many of Central's correspondent customers first heard about us through the IRA seminars is proof that we offer a good program. I'm proud of its success because not only has it been good for Central, but also it has been extremely successful for the banks who have used it." ● ●

IRA Seminars Are Designed For New and Experienced Personnel

THE LATEST individual retirement account (IRA) seminar given by Central Bank, Birmingham, was held February 20, with about 185 bankers in attendance. With its theme as "If It's IRA, We'll Make Your Day," the seminar brought together both new and experienced bank personnel to discuss the fundamentals of selling and administering IRAs. Sessions were divided into two groups — basic and advanced — reflecting the expertise of those involved.

Another series of IRA seminars already is planned for three consecutive weeks in May at the Plaza South Hotel in Birmingham. Anyone interested in attending should call Sandy Wright in Central Bank's IRA department.

At the February seminar, the basic group was presented with a storybook introduction to IRAs, a layman's version of rules and regulations governing these accounts.

According to the bank's IRA director, Austin Meeks, the basic seminar was offered to build confidence of new bank personnel in selling the product. The advanced group put the basic concepts to work in actual case studies. Both groups were conducted in a lecture/discussion style.

Topics included a look at the simplified employer's pension plan, a discussion of a new 2½-year investment certificate and an update on pending IRA legislation. One bill would allow an unemployed woman to open an IRA in her own name using funds supplied by her husband. Another bill would allow a person with a pension plan to establish a "limited" IRA to supplement that plan. Mr. Meeks said passage of this legislation would increase the IRA market by 100%. ● ●

New Regional Directors Named by Nashville's FISI Organization

NASHVILLE — Financial Institution Services (FISI) has announced appointments of three new regional directors: Don O'Connell of Fort Wayne, Ind., Lorne Newhouse of West Des Moines, Ia., and Mel Sommers of Bloomington, Minn.

FISI, reported to be the nation's largest marketer of "packaged" check programs, has six other regional offices around the nation, providing full-time servicing of the company's 1,800 client banks.

A recent innovation by FISI was its videotape network, designed to aid banks in the training of personnel basically in customer relations. Some 500 of its clients currently use the videotape program.

FISI officials presently foresee NOW accounts as being the next major marketing challenge for banks. Marketing and pricing strategies will be the key to successful bank employment of the NOW-account philosophy, according to FISI officials. Under NOW-account competition, each bank's marketing problems will differ. FISI expects, through its network of regional offices, to help each bank solve its local marketing problem.

Hank McCall (l.), ch./pres., FISI, Nashville, congratulates Dan O'Connell of Ft. Wayne, Ind., on being named FISI regional director.

monetary

Factoring and commercial financing

When a shortage of working capital is undermining your force in the marketplace, Manufacturers Hanover Commercial Corporation can strengthen your position.

As your factor, MHCC can provide the cash you need now and protect you from credit risks. We take on the job of collecting from your customers. Any credit loss is ours, not yours.

Through our commercial financing program, you can borrow funds continuously by assigning your accounts receivable to MHCC as security.

In both factoring and commercial financing, MHCC is expert in non-notification techniques, which means our program does not disrupt your credit and collection relationships with your customers.

Helping hundreds of companies stay in the race.

MHCC knows the needs and requirements of many varied industries. This means we can solve practically any size problem for any size company. Businesses rely on us to carry them over temporary rough spots or to provide the supplemental capital that will help them compete more successfully with larger firms.

A team of cash and credit specialists working for you.

As an MHCC client, you talk to experienced professionals whose recommendations are based on your company's financial picture as well as on your potential for growth. The result is a program designed specifically for you.

muscle

that turns business into a powerhouse.

Pinning down problems and solving them fast.

With our broad business and credit experience, we know just what questions to ask in looking for ways to help you. We make decisions quickly without unnecessary delay, and get you back to the business of running your company.

Supporting new projects and long-range goals.

For extra capital to launch a new product, or money to bridge the gap between production and delivery, MHCC can offer a sound financial commitment. And with the monetary muscle of the $48-billion Manufacturers Hanover organization behind us, you can be sure we'll be around to deliver on the promises we make.

We place our weight where you need it.

Our experience with banks around the country and the Manufacturers Hanover correspondent network enables us to work directly with your local bank so that your relationship is not affected. With headquarters in New York and regional or affiliated offices in Charlotte, Atlanta and Los Angeles, MHCC is where you need us.

MANUFACTURERS HANOVER COMMERCIAL CORPORATION

It's a capital source.

Headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036 (212) 575-7320
425 Shatto Place, Los Angeles, California 90020 (213) 736-1714
Jefferson First Union Plaza, Suite 2080, Charlotte, N.C. 28282 (704) 332-2689
5775-B Glenridge Drive, N.E., Suite 450, Atlanta, Ga. 30328 (404) 255-5612

Customized Metal Trays Promote Banks, Thrifts; Become Collectors' Items

CUSTOMIZED metal trays continue to "catch on" as goodwill-generating gifts. These trays can be used to tell a financial institution's "story" to customers or they can highlight a historical event that is held in high esteem by residents.

First National, Arcola, Ill., put metal trays to work recently. The bank opened a new addition last fall and 2,000 customized trays were ordered from Fabcraft, Inc., Frenchtown, N. J., to be used as gifts to help celebrate the event.

According to James R. Clark, vice president, 750 trays were handed out during the one-day celebration that enabled customers and residents to see the bank's new 3,000-square-foot addition that includes eight new offices and a boardroom.

The metal trays feature four photos of the bank's buildings during its more than 100-year history. The oval trays are finished in gold and the photos are imprinted in brown. Pictured are the bank's fortress-like building with a 1918 date, the bank's completely new building, finished in 1969, and a view of the 1979 addition. Also pictured is the bank's hitch rack, a parking structure for buggies used by Amish customers. Arcola is located in mid-eastern Illinois, known as Amish country.

Since the photos occupy practically all the space on the frontside of the tray, the backside is utilized to include a brief history of the bank as well as to honor one of its recent chairmen, Thomas F. Monahan Sr., who served as chairman from 1957 to early last year, when he passed away. The years of his service as chairman were those of greatest growth for the bank.

It took First National 90 years to reach its first million in assets. When the new building was opened in 1969, assets stood at about $8 million. In the past 10 years, the bank has grown to its present size of $28 million — hence the need for more office space.

Open house events included tours of the new quarters, signups for prizes, a wild animal "zoo" show in the parking lot for children and refreshments and giveaways. More than 1,000 people responded to the bank's invitation to tour the premises. Mr. Clark said there was a considerable line of people waiting to sign up for gifts during the open house.

Among prizes given away were brooms — Arcola's main product. Arcola was once known as the "Broomcorn Capital of the World" because of the large amount of broomcorn (from which brooms are made) grown in the area. Although broomcorn is no longer a main crop, broom manufacturing remains as a leading industry.

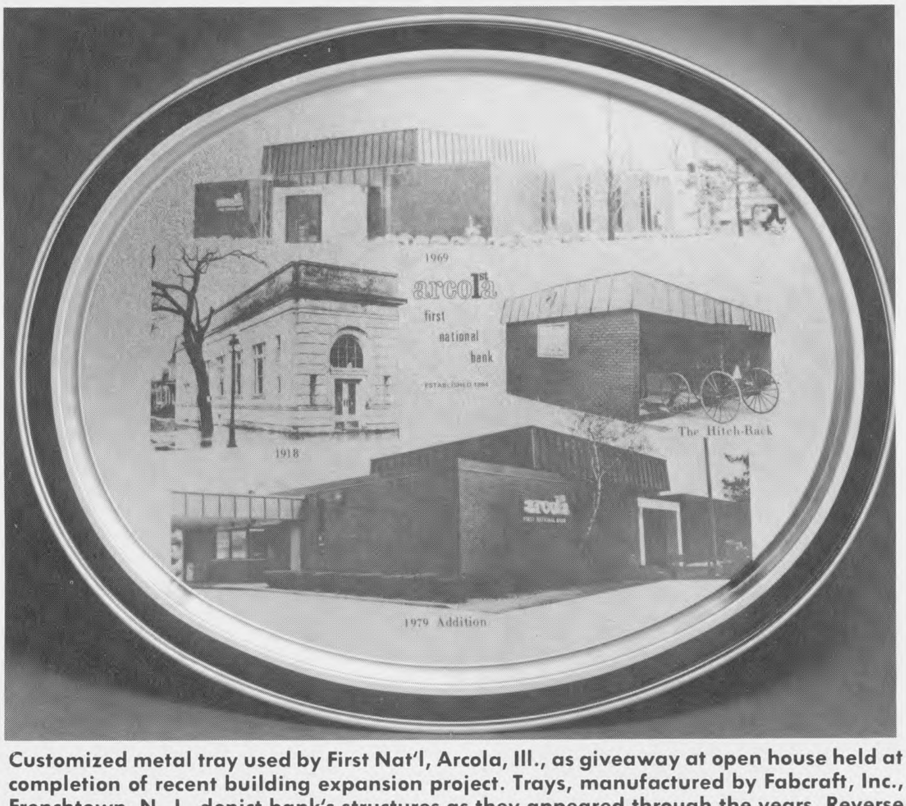
Among other financial institutions using metal trays to promote themselves and/or their communities is Trumbull Savings, Warren, O., which featured its new Main Office on a tray. The new building replaced one that was first opened in 1889; the tray picturing the new building was part of the bank's 88th-anniversary celebration.

Bank of Middlesex, Urbana, Va., celebrated its 75th anniversary by issuing a tray depicting the steamer "Middlesex" which was in service on the Rappahannock River at the time the bank opened its doors for business in 1902. More than 5,000 trays were given away during the celebration.

Another Ohio institution, Old Phoenix National, Medina, reproduced a painting hanging in its original building since 1857 on a metal tray. The painting shows a horse-drawn coach of the time, which is also the bank's trademark. More than 25,000 of the trays have been given away during the bank's extended promotion celebrating 120 years of service to the community.

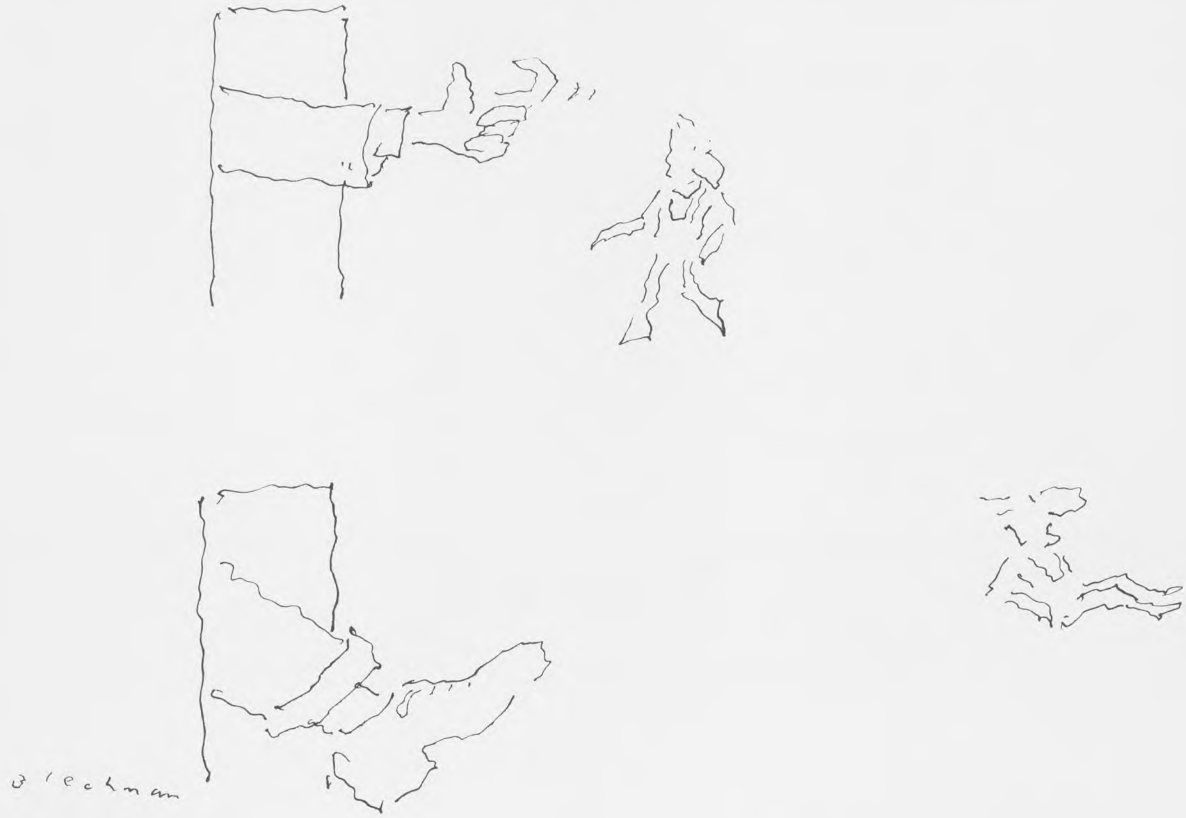
Financial institutions using metal trays find that the items have lasting value and often can be seen displayed prominently in customers' homes. They serve as reminders of the financial institution that issued them. They also have long shelf-life at the bank, as they usually become collector's items and any trays remaining after a promotion can be used at a later date — or just handed out as long as they last.

The popularity of collectors' plates has spurred some financial institutions to issue a new metal tray each year depicting some event of community interest. Customers can build collections over the years but they have to come to the sponsoring bank to do so!



Customized metal tray used by First Nat'l, Arcola, Ill., as giveaway at open house held at completion of recent building expansion project. Trays, manufactured by Fabcraft, Inc., Frenchtown, N. J., depict bank's structures as they appeared through the years. Reverse side of tray includes history of bank and a tribute to Thomas F. Monahan Sr., whose leadership as ch. is credited with growth that made building expansion project necessary.

The ins and outs of the agricultural lending market.



A correspondent bank that's in the ag overline market one year and out the next is just the kind of correspondent bank you don't need. Your agribusiness customers need credit they can depend on.

Continental Bank is committed to the ag market. This year. Last year. Next year. Not because it's a good crop year, or prices are high, or loan demand is down in other industries. We're in it for the same reason we're in the correspondent banking business. To build long-term banking relationships.

Continental Bank has always provided correspondents with seasonal loans and agricultural overlines. Because consistency is something you have every right to expect from your bank.

You expect decisiveness, also. At Continental, you get it. Credit requests go directly to your account manager. The officer who can say "yes" or "no" on most loans. You get a decision fast. From the person who made it.

Call John Tingleff at (312) 828-2191. Tell him you're in the market for farm credit. You can bet we'll be in the market, too.

It's what you expect from a top correspondent bank. At Continental Bank, it's reality.

CONTINENTAL BANK

Continental Illinois National Bank and Trust Company of Chicago
231 South LaSalle Street, Chicago, Illinois 60693

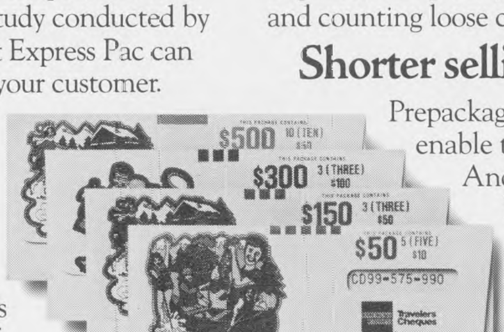
Express Pac from makes short work

...and

Express Pac® from American Express is a simple, efficient system for selling travelers cheques. A study conducted by Arthur Young & Company showed that Express Pac can save time and trouble for both you and your customer.

Express Pac can cut transaction time in half.

Express Pac is an innovative pre-counted, color-coded system that speeds up and streamlines the whole process of selling travelers cheques.



The color-coded envelopes, prepackaged in convenient multiples of $50, enable the seller to quickly select the proper denomination and number of cheques required, completely eliminating the need for assembling and counting loose cheques.

Shorter selling time—shorter lines.

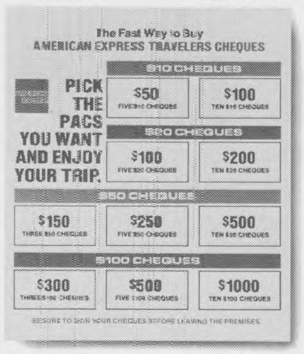
Prepackaged cheques and pre-numbered forms enable tellers to serve your customers faster. And Express Pac cheques are designed to be signed away from the window, which means your customers can sign their cheques without the time pressure of lines, while your tellers get on to the next customer. Altogether, Express Pac efficiencies can cut your transaction time by 50%—which frees valuable teller time and results in shorter, faster-moving lines. So, customers can get in and out of the bank faster.

American Express of travelers cheques

short lines.

Express Pac leaves little room for error.

Prepackaging eliminates cheque-counting errors, while preprinted Purchaser's Applications do away with recording errors by eliminating the need for the seller to fill in cheque numbers. The preprinted form also reduces calculation errors. So Express Pac helps cut down on costly reconciliation and correction.



Express Pac can speed up the whole process—from front window to back office.

The Express Pac system offers automatic replenishment of inventories and supplies. And early indications suggest that audits and reconciliations are easier and faster with Express Pac, compared with loose cheques. In many cases, Express Pac may also reduce reporting and exceptions handling problems.

From waiting line to bottom line—Express Pac improves travelers cheque business.

Once you put Express Pac into operation, you'll see why it has been so quickly and enthusiastically received by banks—and customers.

By saving you and your customers time and trouble it can help make your travelers cheque business not just faster and simpler but more profitable.

AMERICAN EXPRESS

American Express® Travelers Cheques

American Express Plaza, New York, New York 10004

Banker's Leadership Brings Physician To His Community

A SMALL TOWN in Illinois — Wayne City — without a doctor for about 10 years not only has a physician now, but a fully equipped clinic with a lab technician, registered nurse and receptionist/bookkeeper. All this is the result of efforts of a group of residents led by J. Grant Smith, president of the city's First National.

Wayne City, with a population hovering around the 1,000 mark, is about 90 miles west of Evansville, Ind., and 100 miles east of St. Louis. Its principal crop is soybeans, but it also produces corn, wheat, milo, hay and hogs. In addition, the city has two small plants that provide about 150 jobs — one is a picture-frame factory; the other a women's wear manufacturer.

The story of how medical aid came to Wayne City began in 1973, when young James Medder, who grew up in nearby Keenes and is a graduate of Wayne City High School, decided he wanted to become a doctor, but had no funds to finance his education. His parents had been killed in an auto accident. He had compiled a fine record at Eastern Illinois University in Charleston and had chosen Southern Illinois University/Carbondale for his medical education.

When Jimmy Medder was brought to Mr. Smith, the banker asked him whether he was interested in practicing in the Wayne City area. Mr. Medder said yes, and the banker, along with other community leaders, set up the Medical Student Fund, proceeds of which were to go toward putting the young man through medical school on condition that he return to Wayne City for a stipulated number of years and practice medicine.

No "arm-twisting" was done, explains Mr. Smith. As residents learned about the project, it picked up interest, and donations began to roll in. A goal of $12,000 was raised, enough to send Mr. Medder through three years of medical school at $4,000 a year.

However, Mr. Smith didn't stop at just securing a doctor for his town. About three years ago, some consultants were called in to survey the community to see what it needed, and, as a result of the study, the consultants said Wayne City could use a nursing home. In the process of trying to promote such a facility, Mr. Smith, the consultants and others organized a nonprofit corporation called Bean Capital Development Co., Inc. Another corporation, Wayne City Health Care, Inc., also was formed to build the nursing home.

Dr. James Medder (l.) demonstrates some equipment in his clinic to J. Grant Smith, pres., First Nat'l, Wayne City, Ill. Mr. Smith led group of residents in successful effort to set Dr. Medder up in practice there.

However, financing problems have delayed erection of the nursing home, although there still are plans to erect it sometime in the future. Instead, the plot selected for its location became the site of a $300,000 medical clinic with a pharmacy and room enough for two suites of doctors' offices. In addition, the site is large enough to accommodate the nursing home when it becomes a reality.

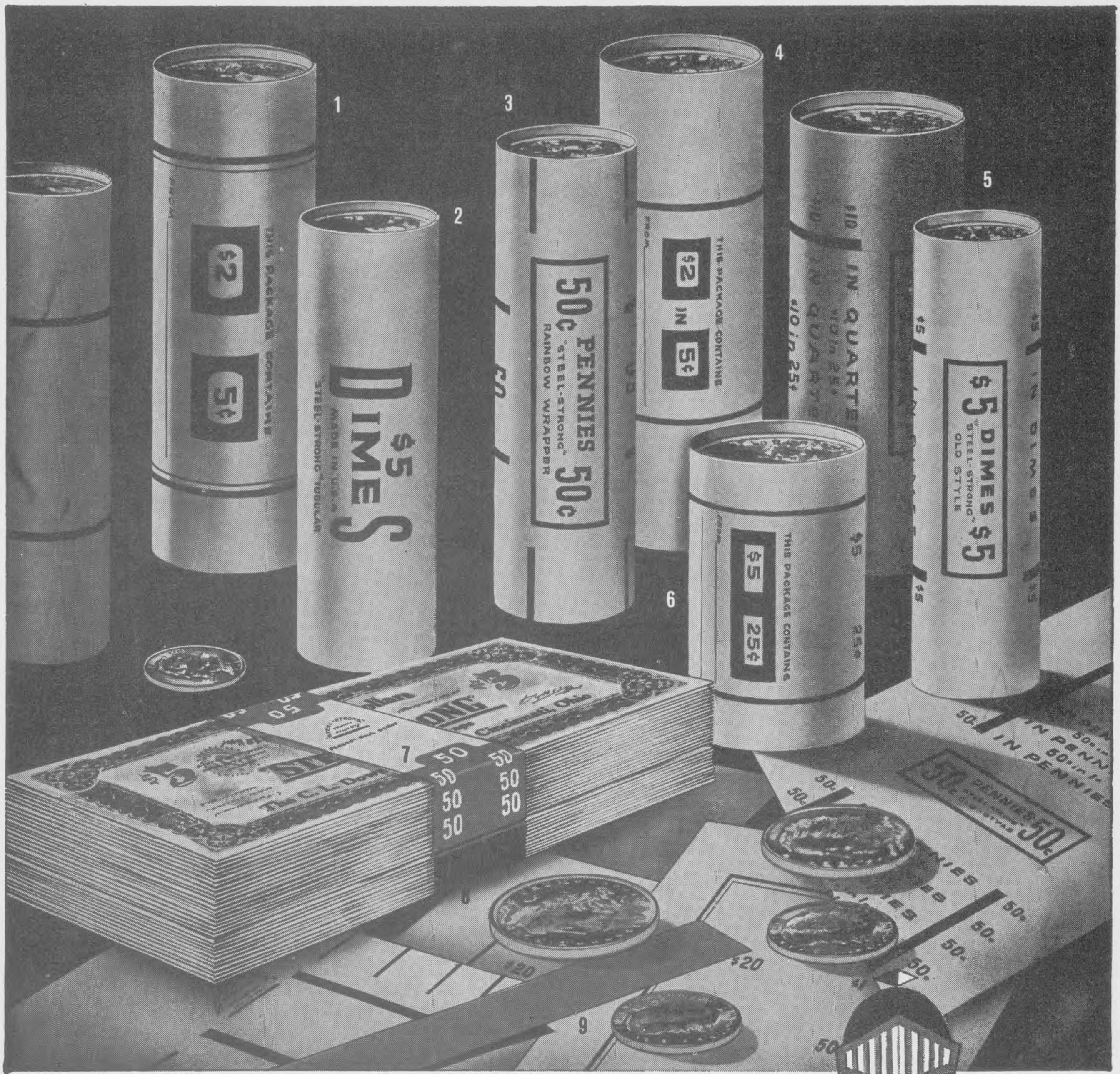
When it came time for Dr. Medder to plan his building — after spending three years in residency at an Evansville hospital — Mr. Smith decided Bean Capital Development Co. was the vehicle for financing the clinic. Another fund drive produced $29,000 in equity money for the building, which is being leased to Dr. Medder and the pharmacy. Their lease payments will pay off the balance.

To get equipment for the clinic, Dr. Medder obtained interim financing from Mr. Smith's bank, and a Mount Vernon, Ill., bank helped him get a Small Business Administration loan. When it's all installed, equipment will include a completely outfitted X-ray room.

Dr. Medder began his practice in Wayne City last January 21, and — under terms of his contract with the city — his financial assistance, which was interest free, will be forgiven at the rate of 20% a year for each year he practices in Wayne City. Also, he has agreed to stay at least five years, but, according to Mr. Smith, the young physician — now 29 — hopes to be there "at least 50 years." If he can't fulfill his agreement, he has agreed to repay the money advanced to him, less any portion already forgiven.

Within six months, Dr. Medder hopes to bring in a "physician's assistant," someone beyond a registered nurse, who has had at least three years of medical school, who, in fact, can do just about anything a physician can do, but who needs a little more training under Dr. Medder. Then, later, the city hopes another physician can be brought in to help Dr. Medder, who, by the way, is on the staff of a hospital in Mount Vernon, 18 miles from Wayne City.

In addition to helping bring a doctor to his community, Mr. Smith is proud of the fact that the whole project was accomplished without needing one penny of federal funds or tax dollars. He hopes to get the nursing home that way, too. Judging from the resourceful way he and his fellow Wayne City residents went about getting a physician, it's a safe bet the nursing home definitely is going to materialize. • •



around money the finest is "STEEL-STRONG"

TRADE MARK ®

1 AUTOMATIC COIN WRAPPER
Amounts and denominations automatically indicated by patented "red bordered windows". Amounts in windows always in register . . . eliminates mistakes. Accommodates all coins from 1c to $1.00.

2 TUBULAR COIN WRAPPER
Especially designed for machine filling . . . a real time-saver. Packed flat. Instant patented "Pop Open" action with finger tip pressure. Denominations identified by color coding . . . 6 different standard colors.

3 RAINBOW COIN WRAPPER
Color coded for quick, easy identification. Red for pennies . . . blue for nickels . . . green for dimes . . . to indicate quantity and denominations . . . eliminates mistakes. Tapered edges.

4 DUZITALL COIN WRAPPER
Extra wide . . . extra strong. Designed for areas where halves are wrapped in $20.00 packs . . . "red bordered window" for ease of identification. Accommodates $20.00 in dollars, $20.00 in halves. Tapered edges.

5 OLD STYLE COIN WRAPPER
Basic coin wrapper in extra strong kraft stock. Printed in 6 different standard colors to differentiate denominations. Triple designation through colors, printing and letters. Tapered edges.

6 KWARTET COIN WRAPPER
Wraps 4 denominations in half size packages. A miniature of the popular "Automatic Wrapper" . . . 25c in pennies, $1.00 in nickels, $2.50 in dimes, $5.00 in quarters.

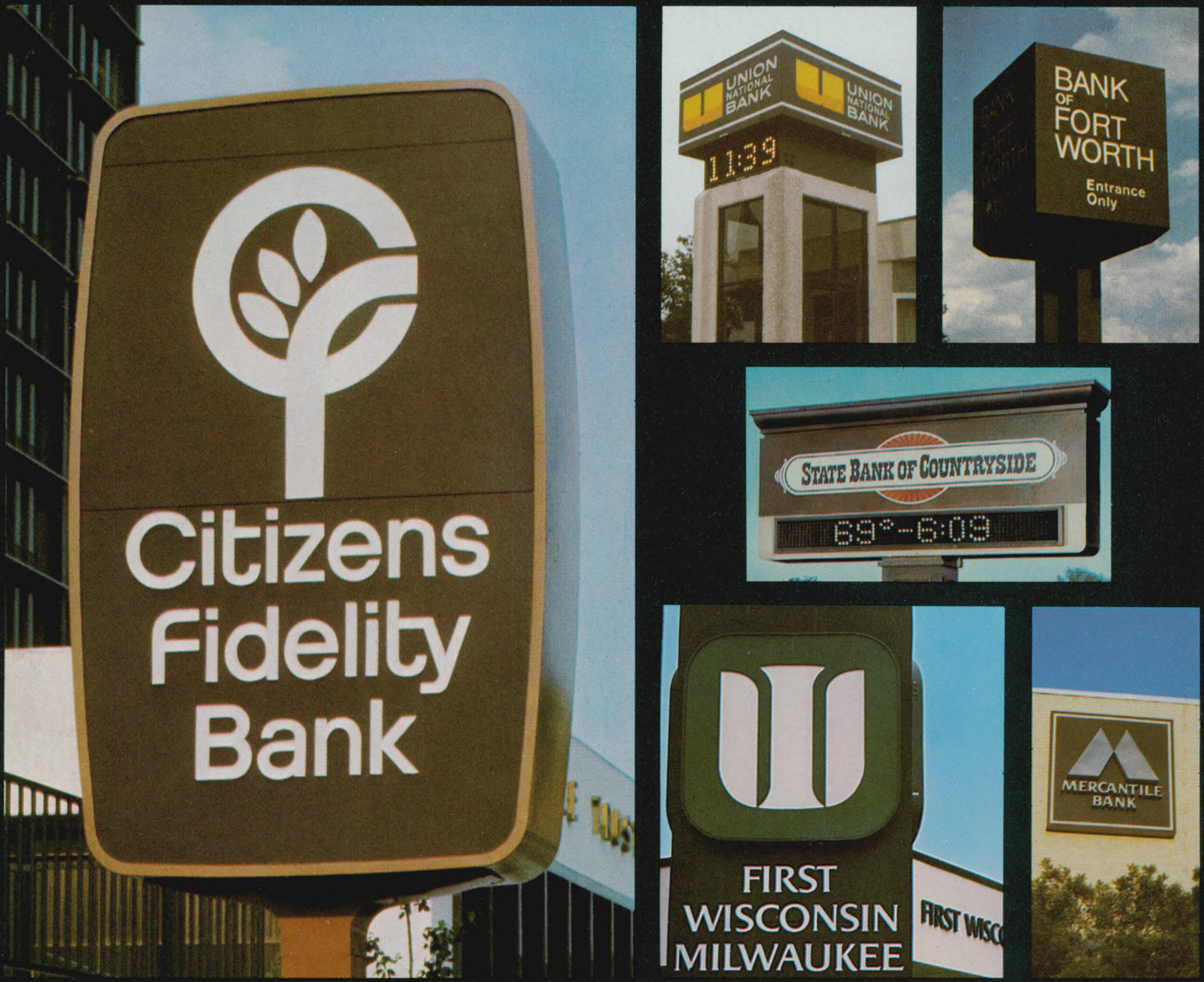
7 FEDERAL BILL STRAP
Package contents clearly identified on faces and edges by color coded panels with inverted and reverse figures. Made of extra strong stock to assure unbroken deliveries. Only pure dextrine gumming used.

8 COLORED BILL STRAP
Entire strap is color coded to identify denomination. Printed amount appears on top and bottom of package. Extra wide for marking and stamping. Extra strong stock for safe delivery and storage. Pure dextrine gumming.

9 BANDING STRAPS
Ideal for packing currency, deposit tickets, checks, etc. . . . do not break or deteriorate with age. Size 10 x ⅞ inches and made of strong brown Kraft stock with gummed end for ease of sealing. Packed 1000 to a carton.

SEE YOUR DEALER OR SEND FOR FREE SAMPLES

THE C. L. DOWNEY COMPANY • HANNIBAL, MISSOURI • DEPT. F



Signage: A vital marketing link

Your sign is the first impression your potential customers have of your business. Federal Sign can help you make that impression a good and lasting one.

Since 1901, Federal Sign has provided signage needs for identification, information and direction. And has a full line of electronic displays.

Offices in major cities including:

Chicago	(312) 887-6800
Dallas/Fort Worth	(817) 261-2341
Houston	(713) 522-1606
Indianapolis	(317) 925-5535
Kansas City	(816) 861-4400

Write for a brochure or call toll free 800-323-7431. Federal Sign, 140 E. Tower Drive, Burr Ridge, Illinois 60521.

FEDERAL SIGN
Division Federal Signal Corporation

·31 CALL TOLL FREE 800-323-7431 C

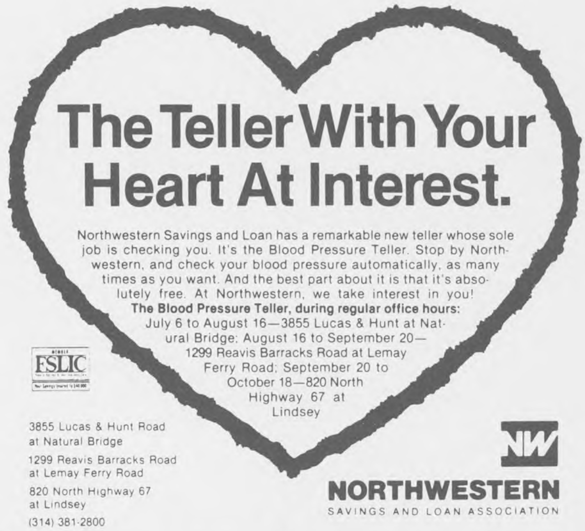
Banks, Thrifts, Provide Medical Aids To Give Customers New Lease on Life

BLOOD PRESSURE units and life-saving emergency resuscitators might be the last things you'd expect to find at your local bank or thrift. Yet, an increasing number of such institutions is benefiting from the goodwill that can be gained from placing medical equipment in their lobbies to provide still another service to customers.

The units also have an effect on an institution's bottom line. A midwestern banker reports that he knows of several cases where people brought their accounts to an institution because of a blood pressure unit.

But, more important, such equipment can be instrumental in saving the life of a customer or employee. A resuscitator at Commerce Union Bank, Nashville, is credited with saving the life of a customer.

Investments in easy-to-use medical equipment such as computerized blood pressure machines



Eye-catching newspaper ad announces availability of "blood pressure teller" at various branches of Northwestern Savings, St. Louis. Unit was at each branch about six weeks to enable customers and others to check their blood pressure.

Device to check customers' blood pressure is located on main banking floor at South Side Nat'l, St. Louis. Customer slips arm into cuff at l. of machine and follows printed instructions on signboard. Banks report device is extremely popular with customers, especially on social security check-cashing days.

have been paying off, says Ken Bagan of Medical Screening Services, Inc., a St. Louis firm that leases blood pressure units for $225 a month. He reports that more than 4,500 such machines have been placed in financial institutions, manufacturing plants and office buildings nationwide. "Many people need to check their blood pressure and for the first time they can do it at the press of a button," he says.

Here's how the machine, distributed by Vita-Stat Medical Services, Inc., St. Petersburg, Fla., works: The customer sits on an attached chair, rolls up his sleeve and puts his arm into a vinyl cuff, which tightens noticeably. When the cuff is loosened slightly, the machine, or sphygmomanometer, measures the customer's blood pressure and flashes numbers on a console. "The reading is within one point of that obtained by a well-trained blood pressure technician," Mr. Bagan says.

Some units include wallet cards on which customers can record up to 10 separate readings. Caffeine, for example, can distort blood pressure, which itself varies as much as 30 points in one minute, says Mr. Bagan. "The more readings you get, the more helpful it is to the physician in diagnosing and treating the 'silent killer,'" he adds.

Blood pressure units are especially popular with older customers. "They really go for it," says a spokeswoman for South Side National, St. Louis. "We've had a lot of people come into the bank to use the blood pressure machine. It's in almost constant use."

Bankers like the public service aspects of the units, but they also appreciate knowing the units can bring in more customers, Mr. Bagan says. "Nobody can be in business for good will only."

The key to a successful blood pressure unit service, Mr. Bagan says, is marketing. His firm customizes machines for banks with the following information printed on the console: "A free community service of (name) bank. We care about your health." In addition, when a unit is installed, Mr. Bagan gives the bank a promotion package that includes radio and TV spots. "We want to make this as simple as we can. All the work has been done."

Medical Screening Services has placed 59 blood pressure units in banks and S&Ls in Illinois and Missouri.

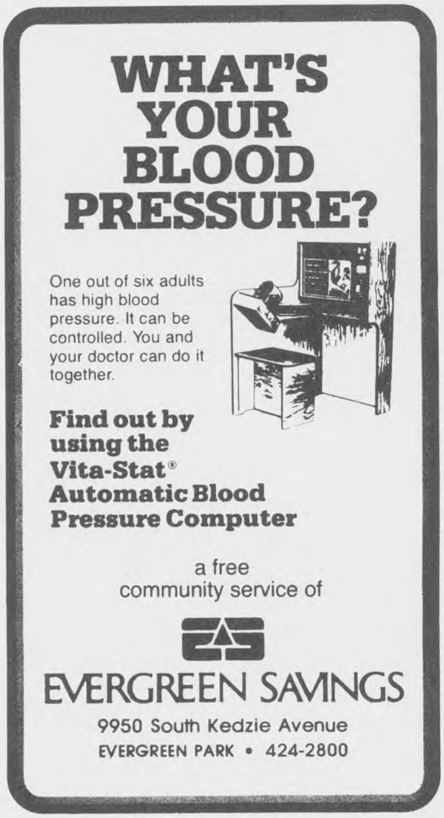
Commerce Union has placed 42 resuscitators in its branches. "If we have a cardiac arrest victim in one of our banks, we're ready," says Melba Brendle, the bank's director of health services.

"We won't just stand by until an ambulance arrives," she says. "It's possible that we'll be able to keep the person alive until help arrives. The difference between life and death is a short four minutes after a person stops breathing.

"We have used our resuscitators on several occasions and even credit the saving of one life to the quick and sensible actions of our well-trained employees." The person who was saved is a customer of the bank.

For years Commerce Union, an affiliate of Tennessee Valley Bancorp., had kept rented oxygen units in all its branches for possible use by employees and customers, Mrs. Brendle says. The bank learned that Capital Health & Safety Co., Nashville, distributes a respirator oxygen unit that provides not only a straight flow of oxygen, but also can be used to resuscitate a dying individual.

"Costwise, we found that we could pay for the respirators in full with approximately three years' of rental



Free blood pressure checking service is advertised by Evergreen Savings in Chicago suburb.

fees," Mrs. Brendle says. "And the machine is safe for use by non-medical personnel. Use of the machine is simple; there are no complicated valves, dials or switches that might confuse individuals involved in resuscitation," she says.

The bank's resuscitators are located in branches, the main office and the operations center.

"Each machine is placed in a readily accessible area in each branch," Mrs. Brendle explains. "We have held CPS (cardiopulmonary resuscitation) instruction classes and aim at having at least two persons in each area trained to administer CPR. Employee response to this training has been enthusiastic and exciting. Many employees have requested that CPR training be offered several times during the year so that all can become well practiced in the art of CPR.

"I believe this training, along with the resuscitators being on hand and ready for use, projects an image of the bank caring for its employees and customers," Mrs. Brendle says. • •

Would you like to hire a Teller who would

- Attract New Customers...
- Secure the Loyalty of Current Depositors...
- Enhance Your Community Relations...and
- Help Save Lives-particularly those of people over 40 -in your community

The Vita-Stat BLOOD PRESSURE TELLER does all these things-and more-

FOR FURTHER INFORMATION OR NO-OBLIGATION DEMONSTRATION CONTACT

VISTDA
VITA STAT DEALERS ASSOCIATION
11450 Bissonnet, Suite 406, Houston, Texas 77099, Phone (713) 498-8422

Gold Jewelry Premiums Prove Popular As Metal's Price Rises Spectacularly

Price Guaranty by Supplier Provides Stability

ALMOST ANY bank or thrift that had planned a premium promotion featuring gold jewelry during the 1979 Christmas season ended up with a runaway "best ever" promotion, due to the volatility of the gold market.

"It was our most successful promotion — ever!" says Gerald S. White, assistant vice president, First National, Beloit, Wis. And his sentiments are reinforced by the experiences at Clyde Savings, North Riverside, Ill., and Wheeling (Ill.) Bank.

First of Beloit advised its customers to "turn your savings into gold." And they did — in goodly numbers, according to Mr. White.

The bank offered 18 styles of necklaces, seven different bracelets, three charms and three styles of pierced earrings, all made of 14 carat plumb gold jewelry manufactured by Aurea of Italy.

Items were available at reduced prices to customers depositing a minimum of $250 into a new or existing savings account or CD, or depositing a similar amount in a new checking account. A CD rollover also qualified.

Each item of jewelry could be purchased at one of four prices, depending on the amount deposited. For instance: A 15-inch gold serpentine necklace was available at $20 with a $250 deposit, at $17 with a $1,000 deposit or at $14 with a $5,000 deposit. The item was available at $22 with an additional deposit of $100 or more.

"The promotion was timed perfectly for Christmas," Mr. White says. "People wanted to buy gifts." And the skyrocketing price of gold and the tremendous media attention gold prices were getting didn't hurt the promotion.

"We hit the price of gold just right," Mr. White says, because the bank bought its supply of gold jewelry when the price of gold was about $400 an ounce. The bank's supplier, Affiliated Services, Skokie, Ill., guaranteed the price for the duration of the program, which was about seven weeks. The supplier arranged for a backup stock of jewelry that the bank could use after its initial supply was exhausted. Any items not used by the bank could be returned to the supplier.

Photo courtesy First National Bank, Beloit, Wis.

First National staged the gold promotion to bridge the traditional year-end money movement experienced by most financial institutions, Mr. White says. He shopped five suppliers before choosing Affiliated Services. He feels the Aurea jewelry was superior to other brands available.

"We weren't trying to make money off the gold," Mr. White says, and customers clearly recognized the bargain they were getting.

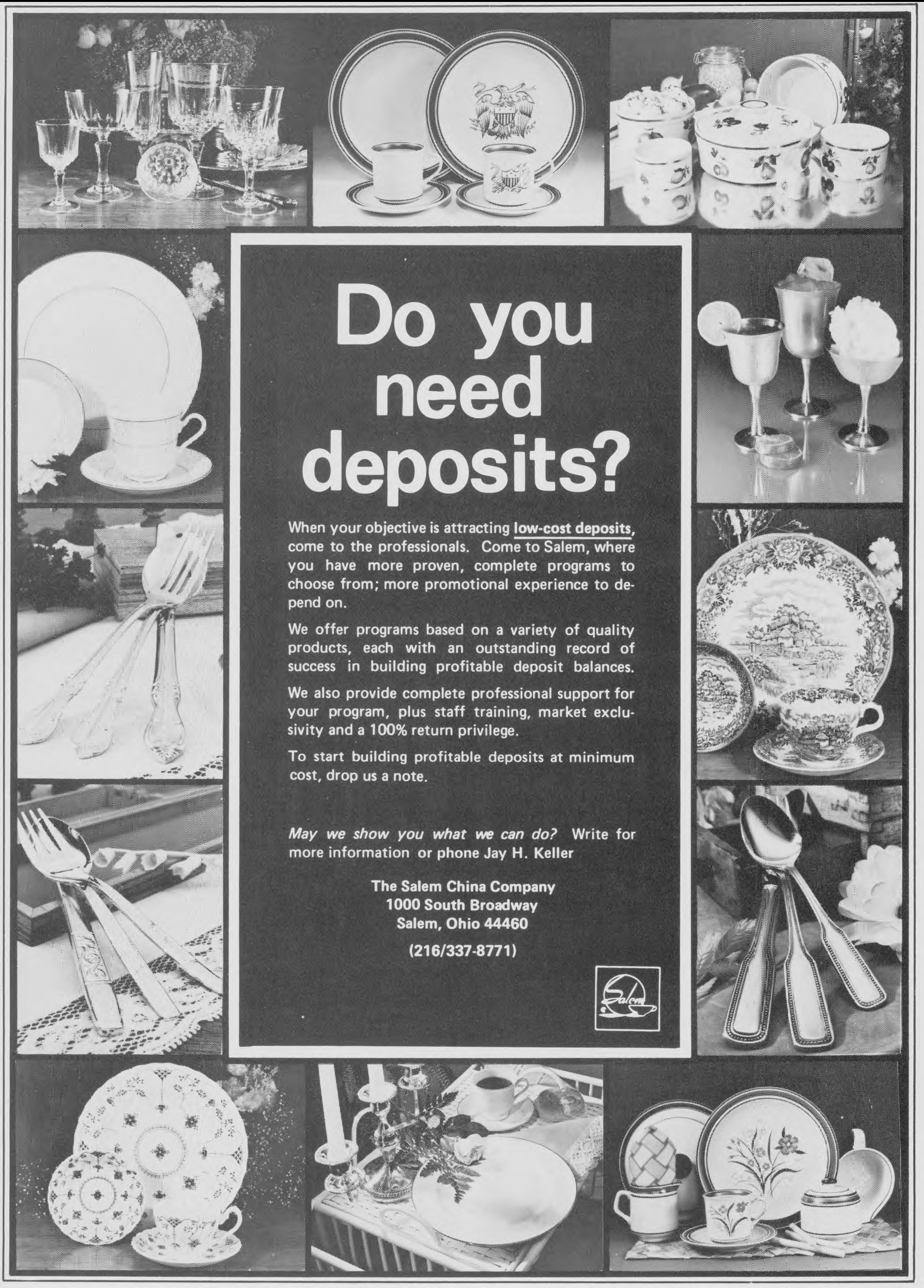
The bank could have offered some items free to depositors of $10,000 or more, Mr. White says, but decided against such a policy.

Customers making qualifying deposits received cards from tellers that they could take to the jewelry table, staffed by a woman hired specially to handle gold jewelry sales. This eliminated any congestion at teller stations and enabled customers to shop leisurely for their jewelry.

Employees were permitted to buy jewelry at 10% less the price charged for customers making qualifying deposits of $250.

Mr. White says the supplier had a good backup stock on hand, so it took only a couple of days to replenish the bank's supply of jewelry.

Clyde Savings, located in the Chicago area, capitalized on the mystique of gold in its advertising. The thrift's jewelry promotion ran from Thanksgiving to Christmas and the goal of the thrift


Do you need deposits?
When your objective is attracting low-cost deposits, come to the professionals. Come to Salem, where you have more proven, complete programs to choose from; more promotional experience to depend on.
We offer programs based on a variety of quality products, each with an outstanding record of success in building profitable deposit balances.
We also provide complete professional support for your program, plus staff training, market exclusivity and a 100% return privilege.
To start building profitable deposits at minimum cost, drop us a note.
May we show you what we can do? Write for more information or phone Jay H. Keller
The Salem China Company
1000 South Broadway
Salem, Ohio 44460
(216/337-8771)
Salem

was to counter disintermediation typical at that time of year.

The selection of jewelry was similar to that offered by First of Beloit, except for a gold Cleopatra necklace that was offered to depositors of $20,000 or more for $599. According to Al Bishop at the thrift, 14 Cleopatra necklaces were sold. The same necklace was available at a Chicago department store for more than $1,000. Mr. Bishop says the value of the necklace rose about $800 during the promotion's run. The only way such an offer could be made, he says, was because Affiliated Services guaranteed the price for the duration of the promotion.

Clyde Savings paid about $300 an ounce for its stock. The price had risen to about $500 before the promotion was over, Mr. Bishop says.

The S&L offered three items free to those depositing $5,000 or more and 13 items free to those depositing $10,000 or more. Minimum deposit to obtain jewelry was $300.

The largest quantity of items sold was at the lower end of the price scale, Mr. Bishop says, but high-price items did remarkably well. These items accounted for about 35% of the quantity sold, but for about 70% of the deposits.

Mr. Bishop says there was no adverse comment from local jewelers. In fact, he noticed out-of-town jewelers making deposits to qualify for the purchase of jewelry!

Total new money brought in by the promotion was $16 million, Mr. Bishop says, and about 3,000 pieces of jewelry were moved during the four-week promo.

The thrift maintained a table for jewelry sales manned by people who knew the facts about gold jewelry and could answer customers' questions.

Mr. Bishop says jewelry is easily handled merchandise. He says the thrift had no security problems. A few of the necklace chains proved defective, but they were replaced by the supplier.

A couple of customers brought their jewelry back and requested refunds, Mr. Bishop says, but when he pointed out the increasing value of the items, they quickly changed their minds!

Wheeling Bank offered two items free to depositors bringing $5,000 or more to the bank. Minimum deposit to qualify for jewelry was $300.

The promotion ran for two months — from December 1 to January 31 — and it attracted $1.5 million in new money in the first two weeks, according to Rob Ferrari, the bank's vice president.

The promotion was staged to enable the bank to offer something to its customers during the holiday period. Bank management was happy to find an item as popular as gold jewelry that was available on a self-liquidating basis.

The jewelry's quality was stressed in advertising and customers were encouraged to handle and try on the various pieces of jewelry while deciding which items to purchase.

According to Mr. Ferrari, the more expensive pieces were most in demand. He said customers were quite aware of the bargains they were getting from the bank and many good comments were received about the promotion. ● ●

Editor's Note: There's no doubt in the mind of George Lamping, president, Affiliated Services, Skokie, Ill., supplier of gold jewelry for premium promotions, that gold and silver jewelry will continue to be excellent premiums for financial institutions. Gold price fluctuations, if within reason, have little effect on premiums, he says, because price isn't the primary factor — quality, availability and brand name are more important. He predicts that any price reduction will be more than offset by price increases in the years ahead.

Corporate Character Marketing:

Photo courtesy Northwestern Banks

It Builds Customer Loyalty, Boosts Your Bottom Line

By Larry Bruozis, Marketing Consultant

WHAT DO Harris Bank, Chicago, Marine Bank, Milwaukee, and Minnesota's Northwestern Banks have in common?

The answer that they're all financial institutions is too obvious. All of these companies have corporate characters. Harris Bank's Hubert the Lion, Marine's Wally the Walrus and Northwestern's Buddy the Bear are recognizable characters that are effective as company mascots or corporate characters. They are recognizable nationally and in regional markets and they give their sponsoring companies an edge over their competition.

To say that these characters are effective and that they will be more effective in the future requires some evaluation of past experience and future trends.

As we look into the 1980s, most marketers state that brand loyalty will decrease even more than it did in the 1970s. Consumers are far more willing than ever before to change the cars they drive, the clothes they wear and the food they eat.

And they'll make those changes for a wide variety of reasons: lower price, higher perceived value, a desire to be up-to-date in fashion — or just for the heck of it.

In past years, there were families who bought only Chevrolets, Fords or Plymouths. Occasionally they might switch, but they eventually went back to their old reliable make. Today those families still exist but they are decreasing. The initial success of foreign cars in the U. S. resulted from a combination of a desire to express dissatisfaction with domestic auto manufacturers and a desire to be perceived as "with-it" in terms of current trends. And the change was made by younger consumers with little brand loyalty.

People are generally loyal to things to which they can relate but people have a difficult time relating to corporations.

People will continue to buy a product or service as long as they're satisfied or until they perceive that something else is better or more economical.

A well-developed, solidly promoted character provides the consumer with something to which he can relate. A bear, a trio of elves or a lion may not be as familiar to a consumer as a next-door neighbor,

(Continued on page BG/32)

Animate, Inanimate Animals Excel as Bank, Thrift Reps To Garner Goodwill, Deposits

STUFFED — but not stuffy — animals are as popular as ever in the banking community as both spokesmen or corporate characters and as traffic-building premiums. In fact, a number of bank and thrift spokes-animals actually debuted as one-time giveaways that proved so popular with the community that they were "signed up" to long-term spokes-animal contracts.

Here's how a sampling of Mid-Continent bankers (and one aggressive S&L) use spokes-animals and stuffed toy animal premiums.

Remodeling and expansion at Longview (Tex.) Bank was the cause of considerable, though temporary, inconvenience. Acting to head off potential customer disenchantment with the noise and cramped quarters, the bank created "Jethro, the spokes-giraffe." In the lobby (a vice president donned the cloth mask) Jethro joked with waiting customers, explaining that Longview Bank was "stretching its facilities" and thanking them for their patience and loyalty. He also agreed that parking was "a pain in the neck." The spokes-giraffe delivered his lighthearted message in newspaper ads and on billboards. Jethro became so well known that an advertisement announcing the grand opening of the bank's new 11-lane motor facility didn't even bother to identify the long-necked character.

"Wally the Marine Bank Walrus" appears on advertising pieces of Marine Banks in Wisconsin. Upper photo: Giraffe spokes-animal for Longview (Tex.) Bank entertains kids at local park as part of bank's public relations program.

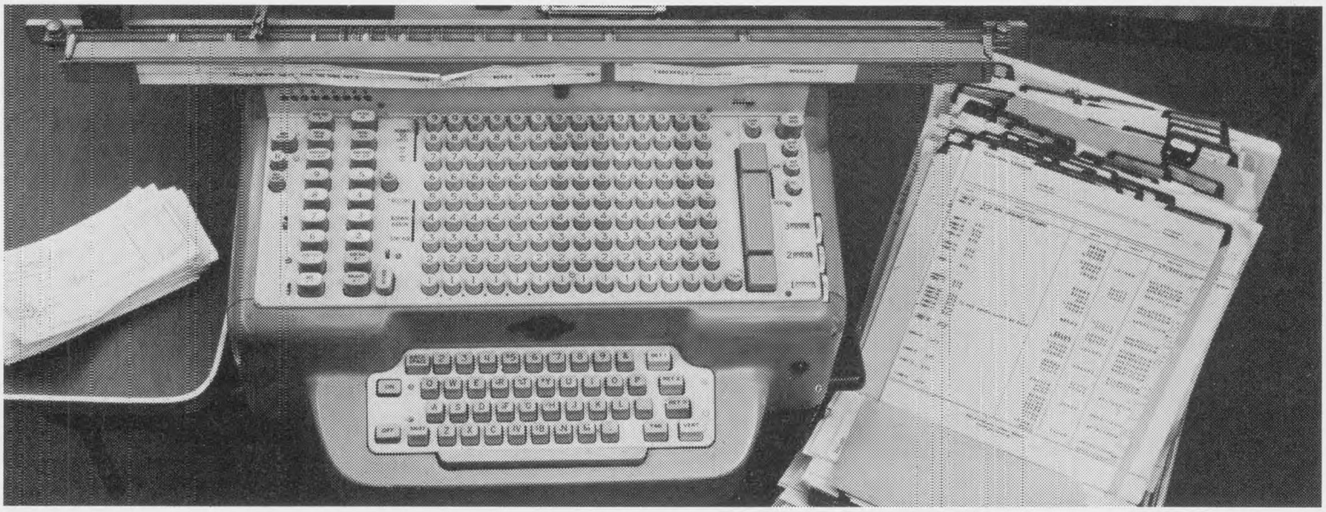
Jethro presided over ribbon-cutting ceremonies at both the motor bank and the remodeled Main Bank (he was assisted by characters from Six Flags Over Texas amusement park). During the one-week celebration at the bank, said Bert Skinner, administrative assistant to President Rogers Pope, "it seemed the entire county turned out to shake Jethro's hand."

Jethro had done a splendid job. But he has no thought of retiring. He may have a vacation, but the bank's 25th anniversary is only four years away and Longview Bank's desire to meet the changing needs of its city's dynamic marketplace will keep Jethro's neck stretching for years to come. He still has a lot of work to do.

For Maury County Federal Savings, the smallest of six banks and two thrifts in Columbia, Tenn., the problem was one of name recognition. Just two months on the job, Vice President Scott Kunkel became aware that the public in general didn't know the thrift existed. "I decided we needed some name recognition factor that would get people talking about Maury (pronounced Murry) Federal," Mr. Kunkel said.

One solution, he decided, was to spend more money on advertising than competitors do so the public sees "your name more often than anyone else's." But the competition had ad budgets five to 10 times the size of Maury Federal's, so Mr. Kunkel settled on a second approach: "Do something so different that people are constantly talking about it and let word-of-mouth carry your advertising impact far beyond the dollars spent." The answer: Furry Maury, a stuffed toy squirrel, was appointed director of customer relations.

"The announcement was made in all seriousness,



The Dark Ages Vs. The 21st Century

Consider a Plansmith Anvil — It's more than you expect!

Ease of operation • Flexibility • Clear, concise reports • Complete training in a day
Systems designed by Bankers — for Bankers.

Update your General Ledger... with an Anvil.

- 50% reduction in posting time.
- Easy-to-read Daily Statements.
- General Ledger activity with descriptions.
- Comparative financial reports for your directors in minutes, not days.
- Call Report and Income Report with the push of a button.
- Use your own account numbers.

Profit Planning and Control... an Anvil specialty.

- Truly Interactive Planning Model.
- Sensitivity Analysis.
- Accurate computation of Interest Income, Interest Expense and Taxes.
- Comprehensive Reporting.
- Significant Management Ratios.
- Monthly Variance Reports with Rate—Volume Analysis.
- Easy Reforecasting to meet goals.

The Anvil.

Plansmith Corporation
50 N. Brockway
Palatine, Illinois 60067
(312) 359-4045

Control your Commercial Loans... with an Anvil.

- Complete up-to-date accounting and reporting.
- Accurate accruals.
- Easy data entry.
- Quick response to rate changes.
- Audit trail.
- Knowledge of Loan Portfolio: Rates/Maturities/Delinquencies

The Anvil Word Processor... an added feature.

- Provides letter quality appearance in less than a minute.
- Ideal for everyday correspondence, legal documents and form letters.
- Common errors corrected in seconds.
- Floppy disk memory storage of all addresses and form letters.
- Ease of operation = Happy secretaries.
- Fast, professional results everytime.

the same way any other staff appointment or promotion would be announced," Mr. Kunkel said. "Furry Maury was then introduced to the community through pictures in the newspaper and his voice (similar to the popular singing group of the 60s, "The Chipmunks") was heard on local radio. An oil portrait of Furry Maury in classic pose was hung in each of our offices."

A four-week open house with free soft drinks, cookies and balloons was kicked off with a two-hour live radio show during which the entire staff, including Furry Maury, was interviewed. Customers who came in to meet the spokes-animal were informed he was temporarily out of the office and referred to a staffer who could help them. The S&L also offered a stuffed Furry Maury toy (manufactured by Possum Trot, Inc., McKee, Ky.) with a $100 deposit. "But the main reason for this particular approach," Mr. Kunkel said, "was not to draw savings but to create name recognition and institution differentiation in the community."

Furry Maury has since made a number of changes in his position as director of customer relations. He has made decorating changes in the office and has convinced the entire staff to wear camel blazers with a Furry Maury patch on the pocket. Furry Maury has begun singing on the radio and has written a new jingle for Maury Federal. He has become such a celebrity in Columbia that the S&L plans to introduce Furry Maury T-shirts in the near future. All over town, people are finding peanuts with business cards that state simply "Furry Maury was here."

The success of a name-recognition campaign is difficult to measure. Since Furry Maury has been a member of the S&L's staff for only two months, it's difficult to say whether he has significantly affected savings flows or the number of loan applications, Mr. Kunkel said.

A short visit to Columbia will convince anyone, however, that Furry Maury has accomplished the name recognition sought. Ask almost anyone in Columbia the name of a financial institution in Maury County and Maury Federal, the home of Furry Maury, will be one of the first mentioned. For the smallest of six banks and two federal S&Ls in a town of only 25,000 people, that says something.

The key ingredient in the success of Wally the Marine Bank Walrus was "that he was extremely adaptable for us to use throughout our advertising program. In using Wally as our spokes-animal, we have brought a different type of aggressive stance for a financial institution in an otherwise very conservative and humdrum market," said Lark Billick, assistant vice president for the Marine Corp., Milwaukee-based holding company. "We are continuing to use Wally throughout our advertising, whether it be in individual bank ads of a specific service or product or in our corporation-wide brochures."

Settling on Wally, though, was not an accident. Marine's 17 banks (32 locations) were unified only by the word "Marine" in the name. More important, the HC needed a new image to attract younger customers, and, hopefully, the new spokesman would tie in with "Marine." Mr. Billick considered a spokes-fish but that wasn't particularly attractive or cuddly (fishy bank?), so he chose a walrus. Working with Animal Fair, Inc., Chanhassen, Minn., Mr. Billick designed a plush Wally, complete with Marine bank tie, that begged for attention. A larger-than-life version was placed in the lobby.

Wally was an overnight success. The introductory campaign offering a "Wally the Marine Bank Walrus" stuffed toy with a $300 deposit, originally scheduled to run eight weeks, was cut off after just four: giveaway inventory was exhausted. In four weeks, Marine exchanged 27,500 Wally toys for $35 million in deposits. Mr. Billick said, "We have estimated that two-thirds of those dollars would not have been received without a character like Wally."

Marine ran a newspaper ad announcing the program's end: "Thanks, Wisconsin," it read. "Due to the incredible response, we've all found homes. Rest assured I will return in the future. (Signed) Wally." Mr. Billick has ordered even more stuffed animals for this spring's promotion.

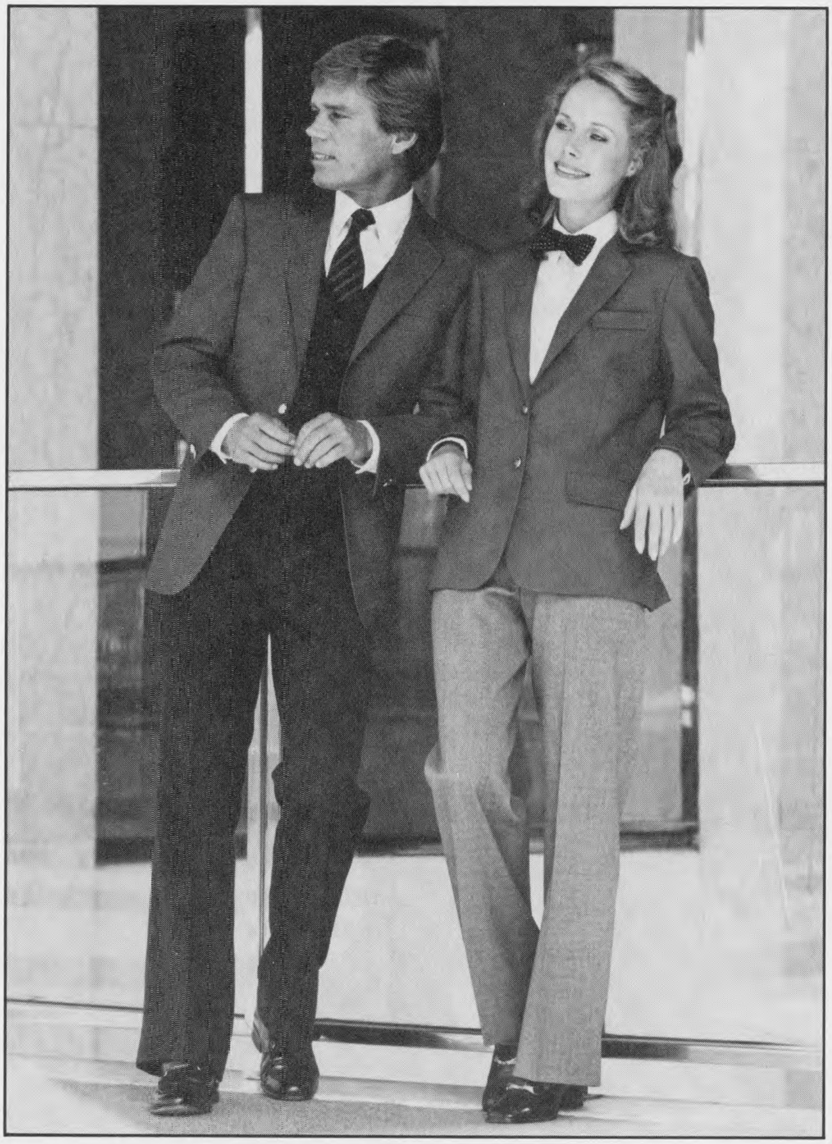
Meanwhile, Wally was adapted to other marketing functions. A brochure explaining CDs showed Wally wearing a tricorn pirate's cap and opening a chest of gold coins; one for the Flagship Account (which combines checking, savings, credit card and overdraft protection) showed Wally launching a small sailing ship; and a pamphlet pitching retirement accounts pictured Wally relaxing under palm trees. He also appeared on bumper stickers supporting the Green Bay Packers and made the closing pitch on TV spots.

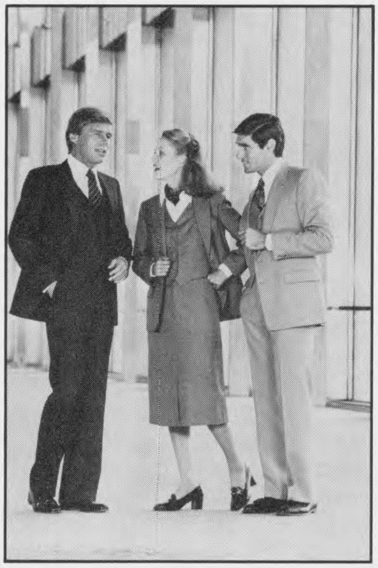
Mr. Billick has hopes "Wally the Marine Bank Walrus" will prove as durable as Hubert, the Harris Trust lion, operating out of Chicago.

Indeed, 22-year-old Hubert has

(Continued on page BG/20)

Stonington





STONINGTON: A UNIQUE NEW COLLECTION OF READY-TO-WEAR CAREER APPAREL AND ACCESSORIES.

Step into Stonington; ready-when-you-are career apparel for men and women, with classic overtones expressed in a brand new way.

Suits and coordinates are designed to mix or match in a variety of colors to meet your specific needs.

Stonington. The classic way to meet your career apparel needs. For more information, call Stonington collect in Norwich 203-889-3801, or contact the nearest Omniform office.

Stonington a unit of Omniform One Connecticut Avenue Norwich, CT 06360

Atlanta • Chicago • Dallas • Honolulu • London • Los Angeles • Miami • New Orleans • New York

Employee Incentive Promotion Exceeds Goal: Accounts Worth $117 Million Solicited

"YOU'RE Number One," an employee incentive program involving all 3,650 First National of Arizona workers, brought in $117.3 million in new money in three months.

The program's goal was $100 million in new deposits.

"What else can I say," marveled Ed Carson, president and CEO, at the program's conclusion. "The program was simply fantastic from start to finish and the employee participation was beyond all expectations."

Employees were awarded points based on number and size of new accounts they generated. The points were exchanged for merchandise gifts and the top 15 winners earned one-week vacations for two to Hawaii. "Our cost per $1,000 in deposits gained," said program administrator Diane Wagner, "was approximately $6.20."

The bank-wide incentive plan was initially conceived to emphasize the bank's commitment to being first in sales of services to the retail customer. "This commitment also carries with it the need to deliver what we promise in both product and service," Miss Wagner said.

"No matter how good we make our advertising," Mr. Carson told employees in a kick-off letter, "we need you and our entire employee team to back up our claims of friendly, helpful and accurate service. In short, 'You're Number One' in making this major growth-oriented effort a success.

"'You're Number One' is more than a plan to gain new accounts for First National. It's a program that involves all of us on an individual and a team basis. It gives us a chance to learn more about our bank's services. And it gives us a chance to do something for our customers, our bank and ourselves."

"The number one reason people switch their accounts from bank to bank is dissatisfaction with service," a counselor from Marketing Psychologists Inc., Chicago, told bank employees. "Savers are fed

LEFT: First of Arizona Pres. Ed Carson gladly receives singing telegram proclaiming bank exceeded its goal in employee incentive promotion. Goal was $100 million; it was exceeded by $17 million. ABOVE: Marketing services personnel and program administrator sort requests for special "You're Number One" T-shirts, awarded to each employee when first new account was recorded. From l.: Debbie Scott, Steve Keyser, Diana Wagner.

up with long lines and being treated rudely by tellers. They are just waiting for someone to ask them to switch accounts."

Bank officials figured the 3½-month program would generate $100 million in new deposits. That goal was surpassed the week before the program's conclusion and announced in all branches and offices via singing telegrams. "You're Number One"-generated accounts were adding more than $1 million a day during the incentive promotion's first three weeks.

Employees were organized into teams of 10 persons and team leaders were sent to training sessions teaching basic selling and outlining the bank's different services. Leaders, in turn, instructed their teammates and also helped members locate and bring in new customers.

While team members helped one another (brainstorming sessions were called weekly to share tips and potential leads) and could earn bonus points based on overall team performance, the program's primary emphasis was on the individual. The employee gave potential new customers referral coupons with the employee's name on it, which the new customer presented to the new-accounts teller when opening an account. Each new account earned the bank employee award points based on the type of account and deposit size. Employees in non-contact positions who didn't normally deal directly with the public generally earned more points than, say, a teller or loan officer received for the same type of account. For example, a First Bonus Account (automatic checking-to-savings) earned a contact officer 750 points, a contact staffer 1,500 points, a non-contact officer 2,250 points and a non-contact staffer 3,000 points.

Employees also were awarded bonus points, eligible for merchandise in an awards book prepared by Performance Incentives Co., Minneapolis, but the bonus points were not counted toward top-performance awards. Turning in the names of five potential customers within the program's first two weeks was rewarded with 200 points. Additional award points were issued for writing articles for First National's monthly employee newspaper, "The Banker."

As an added incentive, "The Banker" ran the names of the top three performers in each category (contact officer, contact staffer, non-contact officer and non-contact staffer) in each issue, encouraging participants to new heights.

More than 70% of the bank's 3,650 employees brought in at least one new account during the three-month campaign. Many, in fact, caught the spirit. Most donned tropical outfits to celebrate Hawaiian Day and one pregnant teller even sewed her "You're Number One" T-shirt on top of a maternity top!

Award totals were revised every two weeks and bonus awards of 2,000, 1,000 and 500 points were awarded to the top three teams in each division — branches, home office, operations center.

Overall, the incentive program generated more than 25,000 new accounts and $117.3 million in new deposits, roughly 30% of First National's total 1978 deposit growth of $395.3 million.

Spokes-animals

(Continued from page BG/16)

worked hard for Harris Bank since his introduction, said Guy Steagall, vice president. Since the first Harris Bank opened, two bronze lions have guarded the bank's entrance and for more than 40 years the proud lions stood as a symbol for an equally proud bank. But the Harris family wanted people to know that Harris bankers are warm and friendly. So the dignified lions guarding the doors made room for a frisky newcomer that businessmen and kids both could enjoy. That's why Hubert turned out to be a definitely different lion.

Adapting a lovable lion was easy. But making him work for the bank and for people who feel uncomfortable with big banks was a little harder. Hubert had to be every bit as proper and money-wise as the Harris bankers are. But he also had to be friendly and let all kinds of people know that Harris Bank really wants to do business with them, Mr. Steagall said.

Harris executives figure more than 250,000 bespectacled Huberts have been distributed to Chicago residents. The stuffed animal premium for savings returns this year by popular demand; last year Harris dropped the giveaway when the price rose above federal regulations and the bank didn't want to charge a fee. "But the bank has received a great many requests to bring Hubert back again," said campaign coordinator Deborah Walker. A $250 deposit and $4.95 was required during last October's promotion.

Hubert is adaptable to many marketing functions. He's spokes-animal in newspaper ads and on TV spots. His likeness has been printed on beach towels and lion-shaped piggy banks. In his latest incarnation, Hubert's image appears on an alarm clock; media theme is "After years of helping kids get to sleep, now Hubert's going to wake them up." • •

Bank Marketing Institute Scheduled for Oct. 5-10

The fourth session of the Graduate Institute of Bank Marketing is scheduled for October 5-10 at Louisiana State University, Baton Rouge.

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

Long-Term Deposits for Chicago Thrift Fruit of Pre-Retirement Counseling

A PRE-RETIREMENT counseling program (PRC) can attract substantial long-term savings deposits and help build community goodwill, according to Gintaras Kastys, vice president, Unity Savings Association, Chicago. Unity has made its PRC available for licensing to financial institutions across the nation. Mr. Kastys is in charge of the program's development.

The PRC program was formulated in 1975 in response to economic reversals that were forcing many industrial plants in the area to induce employees to retire early. As a result, many of the S&L's customers were bringing in large pension and profit sharing final distributions and were seeking financial advice as to disposition of the funds.

The Unity PRC program was judged successful. The material it contained and the services offered were beneficial to Unity's customers, and the S&L obtained a substantial number of larger accounts.

As time went on, the program grew. It's now used by more than 70 corporations in the Chicago area — at no charge. PRC also is offered to the general public at Unity's home office to reach people who work for firms too small to support pre-retirement counseling plans.

A business can provide pre-retirement counseling in a number of ways. If it has sufficient personnel and expertise, it can provide a complete program in-house. If the effort is to be a long-term venture and a steady number of people are eligible, an in-house plan could be the most desirable alternative, Mr. Kastys says.

Another route to take is to use in-house personnel for part of the series of counseling sessions and hire guest experts for the balance. For example, a doctor could be asked to discuss the health aspects of aging. An attorney or bank trust officer could be asked to review the estate planning or financial aspects of retirement.

A third approach is to use an outside group such as Unity Savings. This approach assures sessions that introduce topics that have great interest to people facing retirement, but which have not necessarily been identified by management, Mr. Kastys says.

Most employers sponsoring Unity's pre-retirement counseling programs set aside two hours during the working day, one day a week for six weeks. The firm's personnel or employee benefits

Gintaras Kastys (standing), v.p., Unity Savings, Chicago, reviews PRC program with client (l.) representing one of "Fortune 500" firms. Unity staffers are Del Larson (2nd from l.) and Bill Thomson (r.). Program is being licensed to other financial institutions by Unity.

department usually hosts a PRC.

Meetings are held in a quiet room with comfortable chairs, so the atmosphere can be kept informal. Everyone is urged to take part in discussions. Those attending usually are from 55 to 65 years of age, but some are older.

A discussion leader from Unity coordinates the topics discussed: approaches to retirement and money management; supplementing retirement and social security income; investments; financial planning; housing, health and personal relations; and attitude, self-image and life planning.

Because some participants may not have read a book since high school days, seminar leaders use a variety of visual teaching aids during the sessions to make them as interesting as possible.

Attendees are given folders containing literature on the tax-free rollover provisions of the Employee Retirement Income Security Act (ERISA), material on investment planning drawn from a number of sources, a chart for making a budget, information on estate planning and financial counseling and a personal checklist for retirement planning.

When financial services are discussed, Unity's counselors urge participants to tap the resources of their own financial institutions. They also are persuaded to consult the appropriate professional should it be necessary to write or revise a will, draft a trust or other legal document or compute a tax figure precisely.

Financial institutions offering the Unity PRC program sell the package to firms in their areas with lump sum pension or profit sharing plans. Representatives describe the counseling sequence and offer printed materials and discussion sessions. Financial institution representatives usually aren't professional salespeople, so the aids — printed and visual — offered by Unity are welcome and effective selling tools.

Resistance on the part of firms to give a financial institution access to its employees for a PRC is overcome when the financial institution's representatives make it clear that no commercial messages are delivered during a program, Mr. Kastys says.

Unity has found that some firms don't need the full course of sessions, so its representatives have offered approaches to meet a firm's needs. In some cases, it has provided only one or two sessions instead of the usual six.

Once a firm has signed on with Unity, it is provided with brochures to publicize availability of the sessions. The brochures explain the content and specific benefits of the sessions.

Other ideas for advance publicity are offered to convince participants that the program has benefits for them.

It's not always easy to pinpoint results of such a program in number of new accounts opened or dollars deposited, Mr. Kastys says. However, since PRC has been offered, the S&L has noted a large increase in IRA rollovers, with money staying aboard for about 10 years. A corresponding significant increase has been noted in the demand for other financial services offered by the S&L.

Mr. Kastys reports the initial licensing programs involving Far West Federal Savings, Portland, Ore., and Philadelphia Savings Fund Society were successful, and the program has been offered at no charge to business and industry in and around Chicago. More than 6,000 employees representing 120 Chicago-area firms have participated in PRC programs. Companies involved include 50 of the "Fortune 500," such as Kraft Foods, Avon Products and Zenith Radio, as well as smaller firms.

Program licensees receive a comprehensive package from Unity that includes bibliography and training aids for personnel conducting the programs and support materials for all six of the two-hour seminar sessions; videotapes and backup curricula; presentations with audiovisuals for selling employers on adopting the program and tested, nonthreatening material to promote employee participation. Unity's marketing representatives make themselves available to train bank employees to conduct sessions and to make corporate calls.

The Unity PRC program can help banks and S&Ls demonstrate their commitment to corporate social responsibility by providing a worthwhile and much-needed public service free of charge, and it can produce significant "bottom-line" rewards. ● ●

Over Half a Billion Dollars in Deposits

Last year we made a statement. This year, we are saying it again. Some of our best friends are bankers.

We started out five years ago, trying to make friends in the banking industry, with our commemorative customized belt buckle programs. It wasn't easy, but our programs soon proved themselves. As of today, we have sold and serviced over 2,000 financial institutions. We have yet to fail them. Some of our customers have realized over three and one-half million dollars a week in deposits. With a record like that, it has become easier to make new friends.

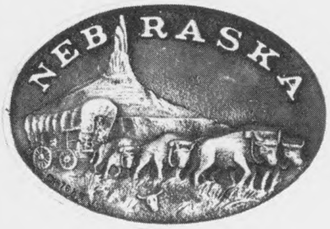
HERE IS WHAT THEY SAY ABOUT US:

Marshall Weems, Senior Vice President & Director of Marketing, Citizens & Southern National Bank of South Carolina, Columbia, South Carolina.

"The South Carolina belt buckle premium promotion was extremely successful. We achieved nearly 200% of our original goal. One of the best premiums we ever ran."

Dominic J. Bernardi, Jr., Vice President, Manager, Marketing Department, State National Bank, El Paso, Texas.

"Our bank has been involved with the Heritage Mint in three successful belt buckle promotions, and is presently working on a fourth and a fifth. Heritage Mint understands bank marketing."



A. George Chambers, Vice President and Advertising Manager, Rainier National Bank, Seattle, Washington.

"The belt buckle promotion for Rainier exceeded all our expectations."

Larry D. Brower, Vice President, First Security Corporation, Salt Lake City, Utah.

"The belt buckle program has exceeded our expectations in all respects, including buckles sold outright, and deposits generated. Consumer acceptance has been almost unbelievable."

Jerry D. Turk, Vice President and Marketing Director, Louisiana National Bank, Baton Rouge, Louisiana.

"Never in my wildest expectations did I dream, or even hope that the buckles would grab people's fancy as they have."

Mike Winterhalter, Director of Marketing, Dallas Federal Savings, Dallas, Texas.

"As our third belt buckle promotion in as many years draws to a close, I want to pause to thank you for enabling Dallas Federal to again successfully feature an effective traffic builder."

Alan Johnson, Regional Marketing Coordinator, Northwestern Bank, Helena, Montana.

"This is the second time we have offered a special edition of belt buckles on a state-wide basis. Our sales to date have far exceeded the estimates which we made. The demand for belt buckles continues to amaze us all."

M. P. (Mick) Scott, Vice President, Benj Franklin Federal Savings & Loan, Portland, Oregon.

"We feel our "Oregon Collection" is a quality program that is unique, and most important, of tremendous popularity with our savers."

Our work includes corporate logos, historical landmarks, state seals, and university mascots. All of our buckles are jewelry finished, numbered for registration with the American Collector, and handsomely packaged in leather pouches. We are also licensed for most professional sports. Got a marketing objective? Give us a call. We are always looking for new friends.

HERITAGE MINT, LTD.
2221 Barry Avenue
Los Angeles, California
90064
(213) 473-4538

All buckles shown are one half the actual size.

Westerners Buckle-up to HC's Promo: Turn Anniversary Into Profit-Maker

BANK ANNIVERSARIES usually cost a lot of money, but the people at First Security Corp., multi-bank HC headquartered in Salt Lake City, decided to use the occasion of a 50th banking anniversary to *make* money and immortalize the historical events of its three-state region.

According to Larry D. Brower, vice president, First Security, and coordinator of the celebration, more than $140 million in deposits and some $21,000 in profits were realized during the initial phase of the HC's promotion.

The vehicle to accomplish these outstanding results was a collection of brass belt buckles that depicted scenes of historical events in Utah, Idaho and southwestern Wyoming — the states in which the HC operates banking offices.

Nine styles of buckles were cast bearing scenes such as the Mormon Temple in Salt Lake City, honoring the region's dominant religion, and the driving of the golden spike, commemorating the establishment of the first transcontinental railroad. Other buckle subjects included the seal of First Security Corp., state seals of Utah, Idaho and Wyoming, a prospector, an elk and a big horn sheep.

Collection of brass buckles honoring historical events in history of state of Utah is presented to Utah Governor Scott Matheson (l.) by Willard L. Eccles, v.p./dir., First Security Corp., and s.v.p., First Security Bank, Salt Lake City.

Idaho buckle collection includes state seal (upper l.), prospector (upper r.) and big horn sheep (lower c.).

The buckles were designed and produced by Heritage Mint, Ltd., Los Angeles, and were exclusive to the HC. Each design in the collection was researched for historical significance and authenticated and certified by *American Collector* magazine.

Buckles were made in two sizes: a large, "sand-cast" solid brass model and a smaller one cast in sculptor's bronze. A collection of the designs was displayed at each of the HC's affiliate banks, the largest of which are $1.6-billion First Security of Utah, Salt Lake City, and $1.1-billion First Security of Idaho, Boise.

Organized in 1928, the corporation is one of the oldest multi-bank HCs in the U. S. Its nonbanking affiliates include three mortgage loan companies, three insurance companies and a leasing firm, operating in 11 western states.

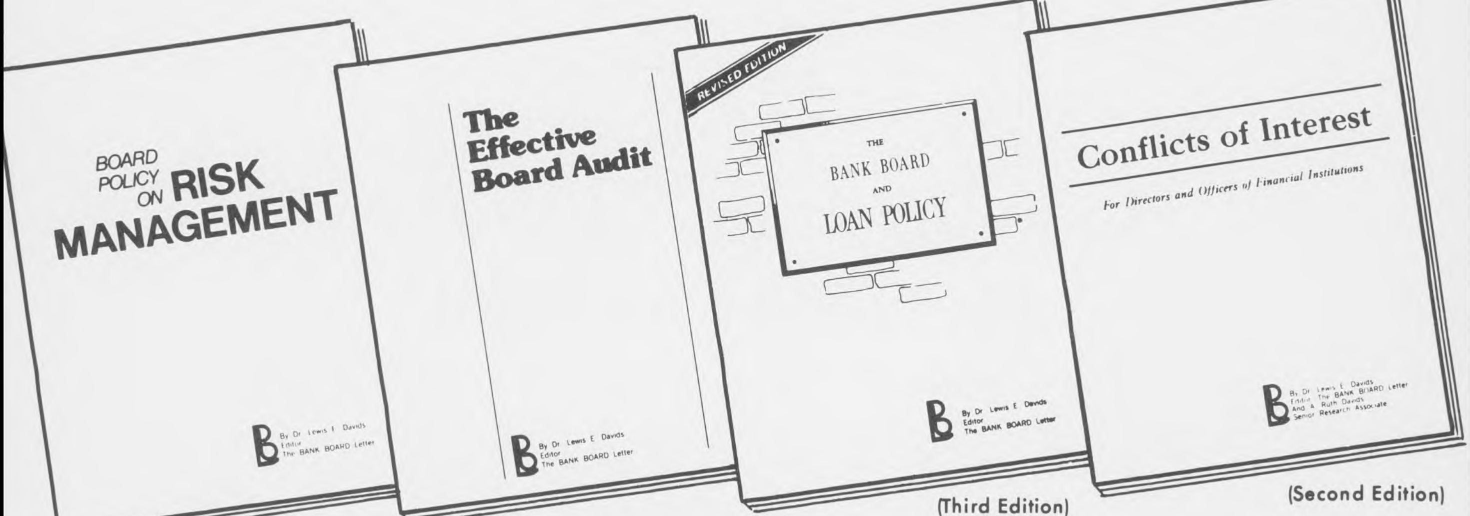
The buckles were available in several ways:

- A $5,000 deposit in an existing savings account, a new checking or savings account or a CD entitled customers to a free buckle per account.
- Buckles could be purchased for $6.95 after a deposit of $300 or more was made in an existing savings account or in a new savings or checking

(Continued on page BG/43)

Help Stamp Out Director Liability Risk

With These Four Board-Related Manuals



(Third Edition) (Second Edition)

$16.00 **$18.00** **$10.00** **$10.00**

(1) **BOARD POLICY ON RISK MANAGEMENT.** This new 160-page manual provides the vital information a board needs to formulate a system to recognize insurable and uninsurable risks and evaluate and provide for them. Included are an insurance guideline and checklists to identify and protect directors against various risks. *Bonus feature:* A model board policy of risk management adaptable to the unique situations at any bank. Every member of your bank's board should have a copy!

QUANTITY PRICES
2-5 copies—$14.50 ea.
6-10 copies—$13.50 ea.

(2) **THE EFFECTIVE BOARD AUDIT.** This 184-page manual provides comprehensive information about the directors' audit function. It outlines board participation, selection of an audit committee and the magnitude of the audit. It provides guidelines for an audit committee, deals with social responsibility and gives insights on engaging an outside auditor. It includes checklists for social responsibilities audits, audit engagement letters and bank audits. No director can afford to be without a copy!

QUANTITY PRICES
2-5 copies—$16.50 ea.
6-10 copies—$15.50 ea.

(3) **THE BANK BOARD AND LOAN POLICY.** Just off the press! This revised and expanded manual enables directors to be a step ahead of bank regulators by providing current loan and credit policies of numerous well-managed banks. These policies, adaptable to any bank situation, can aid your bank in establishing broad guidelines for lending officers. *Bonus feature:* Loan policy of one of the nation's major banks, loaded with ideas for your bank! Remember: A written loan policy can protect directors from lawsuits arising from failure to establish sound lending policies! Order enough copies for all your directors!

QUANTITY PRICES
2-5 copies—$9.00 ea.
6-10 copies—$8.00 ea.

(4) **CONFLICTS OF INTEREST.** Conflicts of Interest presents everything directors and officers should know about the problem of "conflicts." It gives examiners' views of directors' business relationships with the bank, examines ethical pitfalls involving conflicts and details positive actions for reducing the potential for conflicts. Also included is the Comptroller's ruling on statements of business interests and sample conflict-of-interest policies in use by other banks which can be adapted by your board.

QUANTITY PRICES
2-5 copies—$9.00 ea.
6-10 copies—$8.00 ea.

THE BANK BOARD LETTER FBG
408 Olive St., St. Louis, MO 63102

..... copies, Board Policy on Risk Management $ ....
..... copies, The Effective Board Audit $ ....
..... copies, Bank Board & Loan Policy $ ....
..... copies, Conflict of Interest $ ....
Total Enclosed $ ....

Name .... Title ....
Bank ....
Street ....
City, State, Zip ....

(Please send check with order. In Missouri, add 4.6% tax.)

Handling Irate Customers: Everyone Can Win!

By Frank B. Ward, Vice President, Banking Systems, Wilson Learning Corp., Eden Prairie, Minn.

MARY JONES' husband had to work late last night.

It may seem that Mary Jones and her husband have little to do with the way things run at your financial institution. But before you dismiss them, consider this scenario: Mary's husband is leaving home the next morning when he remembers that because he worked late, he missed depositing his check at your institution. And he promised to give both Mary and their son some cash — to take care of school and household expenses.

He grabs his coat and hands the check to Mary. "Honey, deposit this and get the cash you need," he says, while dashing out the door.

Mary stands there with the check in her hand and spills her coffee. Her son runs downstairs, "Mom, where's the money I need for school? It's due today at lunchtime."

Mary then knows she'll have to drive her son to school, deposit the check, get the cash, return to the school with the cash for her son and keep a 10 o'clock appointment for a job interview so she won't run short of cash so often herself.

And there won't be time for breakfast. Mary's in a hurry. She drops her son at school, gets caught in a traffic jam on the way to your institution, rushes in the door and up to the first free teller she sees. It's not the teller she usually goes to. That window is busy.

When Mary finally hands over her husband's hard-earned check, your teller says, "We can't cash this, because it's not endorsed properly" and hands the check back to Mary.

At that point Mary dumps the bucket she's been building up all morning. And your teller creates her own mental scenario — one that goes something like this: This shouldn't be happening; this woman should know the rules; she shouldn't be asking me to do this; she's making me very angry.

"I'm sorry, but those are the bank's policies," your teller snaps.

Mary Jones is just about hysterical by now and leaves the premises on the way to her job interview. When she arrives — both late and without her cash — she explains that she got hung-up with a very rude teller at your institution.

For a number of years, retailers have gathered data on what they term the "reverberation index" — that is, how many people will be exposed to Mary Jones' story of her "bad" experience at your institu-

REALITY STATEMENTS

1. Unpleasant outside events *will* occur.
2. We have little or no control over the events, but our thinking and behavior can sometimes influence them.
3. *We decide* whether or not we get ourselves upset.
4. We decide *how upset* we get.
5. We decide *how long* we get upset.
6. We decide *how often* we get upset.
7. We decide *how we manage* our upset.
8. It's usually more beneficial to ourselves and others if we decide not to overly upset ourselves.
9. We can learn not to make a problem out of a problem.

tion by the time the week is over. According to some of the most recent findings, if 10 Mary Joneses visit your institution in one week, their story is carried to an average of 13 persons per Mary Jones. Over 130 other persons heard the bad news about your institution in one week. Those statistics mount rapidly when viewed on a monthly basis.

So, no matter how long and how well your marketing people position you as the friendly, personal financial experts, your public-contact people still form the crux of your public image and reputation.

And just think of all the Mary Joneses that don't dump a bucket when they receive a discourteous or indifferent reaction from your tellers. They are usually the ones who show up as closed accounts before they've done enough business with you to add anything to your side of the accounting sheet.

So what can you do about it? At what point in the scenario do you and your people have some control over the process? A replay makes it obvious that you have no control whatsoever over what Mary Jones brings with her in emotional frustration.

But your people can have complete control over the way they feel about Mary Jones and in what they believe while doing their jobs — the kind of "self-talk" they're doing when faced with all kinds of situations.

Unpleasant outside events are going to occur. Some customers are going to make unreasonable demands. Others are going to have numerous legitimate complaints. Customer-contact people — tellers, new-accounts people and so forth are going to continue to have to perform their jobs in stressful, high tension situations.

The only thing they can control is their own beliefs and feelings. And controlling their own feelings will allow them to handle irate customers in a courteous, interested, problem-solving manner.

In conjunction with University of Kentucky psychiatrist, Dr. Maxie C. Maultsby, Wilson Learning has developed a set of emotional ABCDs for tellers and public-contact people.

A is for the Activating Event — that's whatever triggers the thoughts, beliefs and behaviors.

B is for our Beliefs — our attitudes — the self-talk we carry on as we discuss the "Activating Event."

C is for our Consequential Feelings — if we feel angry or uptight, no doubt we had a negative belief at "B" that was "Activated" by some circumstances or event.

The *D* of our ABCDs represents the Doing — the behavior sparked by our beliefs and consequential feelings.

Public-contact people can use their ABCDs to gain control over their emotions and power over what they do and say. For instance, by realizing that they can't stop Mary Jones from dumping on them when she has a rough day, contact or service personnel can eliminate intense frustration.

To accept the fact that some customers will be discourteous or indifferent doesn't mean liking it. It doesn't mean approving of it. It simply means accepting the unchangeable — namely that which has already happened or that which is happening *right now*.

When a contact person refuses to accept the unchangeable, self-talk like that of our teller occurs and leads to emotional upset. Irate customers can't be handled well by a contact or service person who is upset and out of control, too. Self-talk gives rise to our feelings and what we do. So, "We can't do that" has a powerful effect. Luckily, self-talk *can be changed*. Consider these options for contact people when they are under fire:

- Instead of, "This woman should never get so upset with me," try, "I'd prefer that she acted differently."
- Or rather than, "It's not fair. I should not have to do this," try, "I don't like it, but that's the way it is."

Notice that changing the self-talk can lead to feelings of acceptance, as opposed to the sort of rigid, demanding and upsetting feelings brought on when self-talk is about the mythical way things are supposed to be.

Perhaps the best example of the way that self-talk impacts and directs what we do is the story of the three people from Florida who saw a snake pass in front of them.

Joe, from Miami, had been bitten by a snake once. His immediate reaction was to holler and run away shouting, "Kill it! Kill it!" Sue, from Tampa, had seen snakes before, but didn't have any real feelings about them one way or the other. Her reaction was to step over the snake and keep going. Teddy, who had grown up in the swamplands, was quite familiar with snakes and found them absolutely fascinating. He bent over and examined the creature — knowing that it was not poisonous and could not harm him.

Three people with three different sets of beliefs — and three different reactions to the same snake.

And so it is with our beliefs and behavior in most stress-producing situations. Upsetting self-talk generally leads to negative behavior. Therefore, for optimum results, contact people might structure self-talk that gives rise to neutral or positive feelings. That way, they don't lose control of the situation when an irate customer comes into the institution. With practice, old, tension-producing self-talk can be replaced. And everyone can be better for it.

Just consider it — when confronted with irate customers or co-workers, the self-talk could be, "Other people make themselves upset and I can't control their feelings. I can remain calm and use my skills to influence them, though they are upset." Or as you're becoming upset with a customer or employee, try, "Is being upset helping me? Do I really want to be upset? How do I want to feel now?"

Or when you've just discovered a mistake or accounting error you made yourself, "Well, I made a mistake. I guess I'm human and humans make mistakes. What can I learn from this mistake so I can improve my performance?"

This kind of self-talk will enable your customer contact to become less upset and hence be better able to handle both irate customers and tense situations. That way, everyone wins. ● ●

The Weigl Difference.

For uncommon Premium promotions designed with RESULTS in mind . . . remember Weigl.

Over 40 years experience has made Weigl the Accepted source for Premium Programs that produce expected results.

Weigl Co., Inc. 230 Fifth Ave., New York, New York 10001 (212) 686-9070 Toll Free 800-223-6866

Corporate Characters

(Continued from page BG/12)

but they represent a personality that stands for something tangible.

This doesn't mean that people will continue to buy an inferior product or service because there's a corporate symbol involved — or that they will switch brands for the same reason. Corporate characters can, however, give a company a competitive edge in a mature market where all products or services are generally perceived as being identical, or at least similar.

A classic example of a market-dominated corporate character is found in the breakfast cereal business. Kellogg's, General Mills, Quaker and General Foods all have kid-oriented characters who sell the product. When a child sees one of these characters he can relate to it. The plea of a child in the supermarket for a specific cereal isn't really connected to a desire for the cereal. The desire is for some sort of relationship with the character.

Another example of character marketing at its best is Ronald McDonald. When McDonald's was started, the idea of a place where you could get an inexpensive meal in a clean environment with good service was enough to attract consumers. When competition began to develop, McDonald's saw the opportunity to add something to the basic package. A fast-food meal was turned into an event, an experience, a chance to visit Ronald McDonald. The interesting thing is that competition saw how successful Ronald was and created its own — so we now have Burger King!

Many banks are in the same position McDonald's was before Ronald was created. Let's face it, most consumers lump financial institutions into one of two categories: mine and all the others. Let's face another fact: Most bank advertising really is pretty dull and can be lumped into one of four categories:

- We pay interest. Big deal! The average consumer has a number of choices available paying higher interest rates.
- We have a lot of branches. Yes, says the consumer, but none are near my work or home.
- Our people are friendly. So, says the consumer, are the people at my bank.
- We offer gifts. But, says the consumer, I already have a watch, a calculator and a red reversible two-tone widget!

A corporate character can make advertising interesting. The character can deliver similar messages, but they become interesting because a lion, a bear or an aardvark is delivering them.

In recent years, a number of financial institutions have adopted corporate characters and offered soft toy versions as premiums. Many haven't really taken advantage of the opportunities a custom character can present.

To lump a soft toy with other premiums such as luggage, blankets, watches and calculators is to miss out on a powerful competitive marketing wedge.

The object of any premium is to create an "I want one of those" reaction in the mind of the consumer. It's even more effective when the "I want one of those" reaction is centered on an item that's not available anywhere else.

Finally, a soft toy version of a corporate character allows for a long-lasting carry-over effect. Consider the vast sums of money spent by companies to place a logo or a brand name in places where people will see them. Consider the value of having a character uniquely identified with a product, service or financial institution in the homes of consumers where they will

(Continued on page BG/37)

What Every Director Should Know About Banking

(but sometimes doesn't)

30 Timely Studies of Vital Director Interest

Veteran directors can forget. New ones need break-in time. In either case, resulting information-gaps could bring your bank serious financial difficulties.

Protect yourself. Make sure your directors *know*. Give them this practical, dollars-and-sense update on today's priority problems. Packed with timely data and information. Written by top-ranking banking specialists.

Originally published as "bonus" additions to The BANK BOARD Letter, national newsletter for bank directors. Heavy demand for additional copies forced a reprinting. Now, for first time, this 30-piece director's "encyclopedia" is available in convenient packet form.

Mass printing permits lower price. Allows you to give each director a personal packet. Provides mind-easing "insurance" against inadvertent director oversights and financial problems.

Satisfaction guaranteed. Complete refund if BANK BOARD Bonus Studies fail to please you.

Latest information every director *must* know. Includes subjects such as — what every director should know about meeting with examiners — money-saving information about employee stock-ownership plans — tested procedures for courting stockholder business — deferred compensation plan for directors — establishing a business development policy — what help directors can give effectively to sales — check list of audit procedures for directors' examinations — and 23 other essential aids for sound and efficient director performance.

120 pages

$10.00 **per packet**

2-5 packets $8.00 ea
5-10 packets $7.00 ea

(Order No. 200 on coupon at right)

• **Bank Directors and Their Selection, Qualifications, Evaluation, Retirement.** 42 pages. Answers key questions concerning director selection, retention and retirement. Special section: the prospective director and how he should be expected to contribute to the bank's success. **No. 101, $5.50 per copy. (Revised Edition)**

• **Bank Shareholders' Meeting Manual.** 60 pages, 8½ x 11". Designed to aid directors of state-chartered banks, this book discusses conflict of interest, minority rights, fuller disclosure, voting of trust-held securities, preparation of stock purchase and stock option plans, also capital notes and debentures.

The manual also is helpful in updating annual shareholders' meetings at a time when stockholders are becoming more insistent on receiving meaningful information at annual meetings and in annual reports. **No. 102, $8.25 each.**

• **A Policy Manual for the Bank Board.** 24-pages, reviews typical organizational chart, duties and responsibilities of managing officers and various standing committees, loan, investment and collection policies, and an outline of a suggested investment policy. **No. 103, $3.50 per copy.**

• **Management Policies for Commercial Banks.** 2nd edition by Howard D. Crosse and George H. Hempel. Substantially revised edition dealing with major policies of liability and asset management in banks. Includes examples of major policies and the relationship of policy makers and the issuing of policy. Examines lending practices, personnel, marketing management and portfolio management and capital structure. **No. 131, $21.00.**

• **WOMEN: The "Forgotten" Directors.** 20-page booklet. Would be most helpful to banks contemplating the election of a woman or women to the board. A national survey shows how women view their relationships to other directors of their banks, what they feel are their relationships to men and women staff members of the institution, frustrations and delights encountered in board service and what they see as today's major banking problems. **No. 145, $2.00 per copy.**

• **Management Succession.** 8-page study. This has been termed the number one problem in banking. Directors have the legal duty to staff their banks and this publication provides invaluable aids to assist directors in this area. Includes a comprehensive *checklist* for management development. **No. 133, $1.**

• **Commercial Problem Loans.** A study that makes a significant contribution to improving lending skills by filling a void in the loan department's literature. The problem loan is identified in detail and a program of supervision is outlined. The volume includes a 41-page chapter on collecting problem loans and a case study of a fraud that brings all the points discussed into full play. Also included are a complete sample credit file and a hypothetical credit policy statement. Published in 1974. **No. 137, $22.**

Order by Number Using Coupon on the Opposite Page

Booklets for Management Directors-Stockholders

• **A Trust Guide for the Bank Director.** 40 pages. Since introduction of the Keogh Act (H.R. 10), many small firms and self-employed individuals have established pension trusts. Thus the number of banks adding trust functions has increased substantially. Directors of banks with new trust departments or newly elected directors of banks with established trust functions often aren't fully conversant with direction of trust activities. They will find this book to be a valuable aid. It delineates trust department examinations, policies. Includes Comptroller's Regulation 9, covering fiduciary powers of national banks, collective investment funds and disclosure of trust department assets. **No. 146, $5.00 per copy.**

• **Leasing Principles & Methods.** For the bank interested in leasing. It's an "encyclopedia" of information that covers the entire range of leasing of capital goods, with fully documented financial instruments, of contracts, letters of credit, agreements, etc. There are chapters devoted to insurance, tax fees and tax credits. Latest rulings (for 1977) are included to give the reader a complete library on tax problems associated with leasing of airplanes, railroad cars, rolling mills, oil tankers, automobiles, television sets, etc. The author serves as a consultant to some of the nation's leading leasing companies. Over 300 pages. **No. 147, $49.95.**

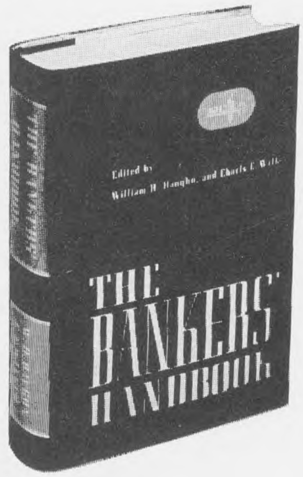
• **Bank Director's World.** This manual examines the bank director's relationships with the holding company, the CPA, legal counsel, stockholders, correspondents and advisory boards. It includes exhibits to enable directors to grasp the scope of the world of bank directorship. Both new and veteran directors can profit from the perspective this manual offers. **No. 150, $5.00 per copy.**

• **Behind Boardroom Doors.** Provides insights into the fine points of bank board membership. Sample chapter topics: CEO selection; reimbursement; management audits; finding customers; board minutes; director fees; retainers; common law liability for director negligence; subcommittees of the board; capitalization; and influence on the economy of the community. Also, a chapter on how to open boardroom doors to establish ongoing communication between the bank and the public. **No. 151, $5.00 per copy.**

• **Guide to Intelligent Investing** by Jerome B. Cohen, Edward D. Zinbarg, and Arthur Zeikel. This book is geared to the investor who wants to create and handle his own investment portfolio. It covers the basics of sound investing such as timing the purchase and sale of common stocks and bonds, deciding what to invest in, how to formulate investment objectives and which types of securities to buy to meet those objectives. Chapters also devoted to sources of investment information; the operation of the securities markets; evaluation of stocks, bonds, convertibles, options, and special situations. Guide to Intelligent Investing will become the cornerstone book in your investment library. **No. 161, $12.50 per copy.**

• **The Money Market: Myth, Reality and Practice.** 578 pages. By Marcia Stigum. The Money Market is the result of exhaustive research in New York, London and elsewhere. Part I describes the instruments traded in the money market, how yields are calculated, and how banks under the control of the Fed create our money supply. Part II describes the operations of the major money-market banks, money-market dealers, and money-market brokers. It also describes the principles according to which a short-term portfolio should be run. Part III turns to individual markets that together comprise the money market and describes for each such market the instrument traded, how the market is made by dealers, money-market brokers and investors, and the characteristics of the instrument traded, the risks, liquidity and return offered. **No. 162, $22.50 per copy.**

• **How to Use Interest-Rate Futures Contracts** by Edward W. Schwarz. This book is a primer on the fundamentals of commodity trading and the concept of interest-rate futures contracts. The author has provided scores of practical examples on how to use all of the interest-rate futures contracts. His purpose in writing this book was to provide sufficient information for professional traders, financial executives, and investors, so they can successfully meet their financial objectives. The money-futures market treats money as a commodity no different from soybeans or silver in its commodity fundamentals. The fact that almost every commodity and security exchange in the U. S., as well as some abroad, are either already offering financial instrument futures, or will soon be doing so indicates the tremendous potential for this type of speculation. **No. 163, $17.95 per copy.**



THE BANKERS HANDBOOK

Edited by William H. Baughn and Charls E. Walker

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 1200 pages! Every bank, every bank boardroom needs this reference book.

Check Box 120

$37.50 per copy

SEE OPPOSITE PAGE FOR OTHER TOPICS

Please Send These Management Aids:

101 .... copies $	147 .... copies $ ....
102 .... copies $	150 .... copies $ ....
103 .... copies $	151 .... copies $ ....
120 .... copies $	161 .... copies $ ....
131 .... copies $	162 .... copies $ ....
133 .... copies $	163 .... copies $ ....
137 .... copies $	200 .... copies $ ....
145 .... copies $	Total $ ....
146 .... copies $	(In Missouri add 4.6% Tax) $ ....
FBG	TOTAL $ ....

Send Completed Coupon WITH CHECK to: Commerce Publishing Co., 408 Olive St., St. Louis, Mo. 63102, publishers of The BANK BOARD Letter

Enclose check payable to The BANK BOARD Letter

Name ....

Bank or Company ....

Address ....

City ...... State .... Zip ......

Little Work, Lots of Good Will Benefits of Thrift Photo Promo

EASY is the byword for the recently concluded photo portrait program sponsored by City Federal Savings & Loan Association, Milwaukee. The thrift was the sponsor, but Olan Mills personnel did most of the work.

According to a City Federal spokesman, the promotion was a marketing manager's dream come true. It resulted in lots of interest, lots of response and lots of pleased people.

Last summer, City Federal and Olan Mills got together and arranged for the portrait program as a public-relations vehicle with a three-fold purpose:

- To introduce two new branch offices that were observing grand openings at that time.
- To expose residents of the areas surrounding the thrift's six offices to the S&L and its services.
- To encourage deposits from both new and existing customers.

The promotion scored successfully on all three counts.

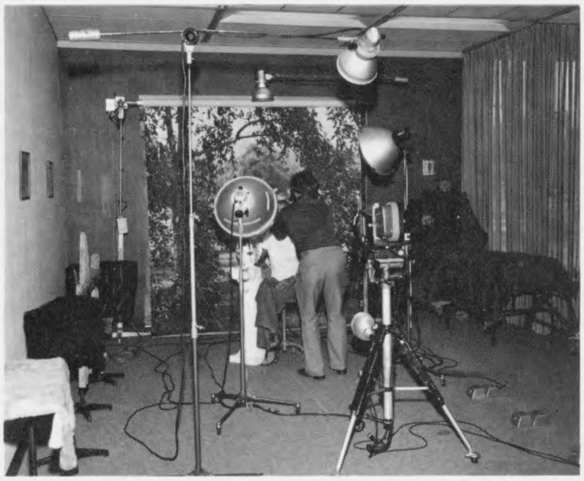
Direct mail was used as the primary vehicle to advertise the portrait program. Olan Mills provided a four-color mailing piece and a letter from City Federal inviting participation in the program was printed on the back of the piece. The invitation pointed out that the S&L was offering a free 8x10 color portrait to each person or family wanting one. All recipients had to do was call the thrift to set up an appointment, appear at the scheduled time and, later, make a selection from the proofs. Finished portraits were mailed.

All City Federal had to do was make space available at each of its branches for the photo-taking, provide a temporary-help hostess to greet people coming in for sittings and keep appointments straight and have an "appointment lady" at a central phone number to set up appointments. Olan Mills did the rest — including the training of temporary personnel. "They were thorough, efficient, completely courteous and offered a quality product," the thrift spokesman said.

The program was coordinated for Olan Mills and City Federal by Hyco, Inc., a Milwaukee marketing research firm. Hyco selected target areas for the mailing lists, focusing on areas around each of City Federal's branches.

"Those who were not already depositors of the thrift were invited into the S&L for the nicest of

(Continued on page BG/41)



Olan Mills photographer is shown making setup for portrait before background in temporary studio at City Federal S&L, Milwaukee. Selection of poses is taken to enable customers to make choices when ordering prints.

Finished print of typical family taking advantage of free 8x10 color photo offer made by City Federal, Milwaukee, in cooperation with Olan Mills, Chattanooga-based firm specializing in photo premiums for financial institutions.

Corporate Characters

(Continued from page BG/32)

be seen on an almost daily basis.

In developing a corporate character a couple of important factors must be considered:

- What is the single most important thing I want consumers to identify with my business? Speedy service? Solid resources? Reliability?
- Is there a character (animal or human) that personifies the message I'm trying to convey?
- For companies operating in a regional market, is there a symbol connected with the market area? A state animal? A state bird? A local athletic team?
- Is adoption of an existing regional symbol possible based on payment of royalties or does the local symbol connote positive reactions in the minds of consumers?
- Is the company willing to commit totally to the idea of a corporate character, utilizing it in TV ads, print media, sales literature, etc.?
- As a potential character is developed, does it have meaning to the consumer? An animated automatic teller or "off-the-wall" creation may be perceived as a "cute" idea, but unless consumers can relate to it in a broader context than a corporate symbol, it will not have the appeal needed to attract attention.

Experience shows that a corporate character can give a company a number of benefits. As we enter the 1980s, it seems clear that those benefits will increase. ● ●

Cosmetic Promo Falters, Idea Remains Promising

Free facial treatments coupled with a cosmetics giveaway seemed a surefire way to bring a lot of people — and deposits — into Pulaski Savings, St. Louis, says Vicky Konopka, assistant secretary.

"We gave away quite a few Mary Kay cosmetics with $250 deposits, but the free skin care treatments didn't draw well," she says. "We really had high hopes for the program, and, if it were redone, I think it could do a lot better." This assessment is based on Mrs. Konopka's findings that women of all ages are interested in skin care and better makeup procedures.

In explaining the lackluster performance of the promotion, Mrs. Konopka blamed it on the fact that the average woman works and can't take time off during the week to take advantage of a skin care workshop. The thrift and the Mary Kay representative scheduled the skin treatment sessions on weekdays rather than in the evening or on Saturdays when working women could participate.

"I think that was a mistake," says Mrs. Konopka, who is in charge of marketing for the S&L.

Another factor contributing to the poor showing was the length of the treatment sessions — two hours. "Even older retired customers shunned making that kind of time commitment," Mrs. Konopka says.

The experience taught Pulaski's management not to rely on direct mail alone in promoting a premium program, she says. The thrift mailed announcements to a select audience living in the immediate vicinity of its headquarters in west St. Louis County and its office in Florissant, Mo.

If we try this promotion again at another branch, Mrs. Konopka says, the facials will take just one hour and newspaper ads will support any direct-mail promotion.

Premiums/Incentives: *Profit Builders for Financial Institutions*

DINNERWARE

Bank: Liberty National, Louisville.

Premium: Stoneware and fine china.

Offer: A $50 deposit to a new or existing savings account entitled customer to a free starter set of dinnerware. Stoneware pattern set had three pieces; fine china set had four pieces. Additional place settings and serving pieces could be purchased with a $25 deposit. Cost per place setting for stoneware was $4.95; fine china was $5.95. Service for eight was available at reduced cost with qualifying deposit of $1,000.

Supplier: Salem China Co., Salem, OH 44460.

Results: $11 million in new deposits and distribution of 40,000 pieces of dinnerware. The stoneware was slightly more popular than the fine china. The offer ran for 10 months and the dinnerware was displayed at 33 of the bank's locations.

CRYSTAL/GLASSWARE

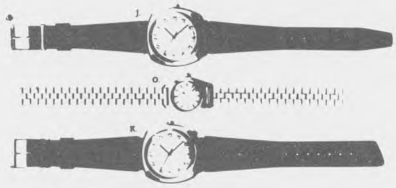
Thrift: Cambria S&L, Johnstown, Pa.

Premium: Crystal/glassware.

Offer: First two pieces of crystal free with qualifying deposit of $25 or more in new or existing savings account. Each additional deposit of $25 qualified customer to purchase additional set of two stems at prices ranging from $5.25 to $6.50 a pair, depending on style of crystal.

Supplier: W. M. Dalton & Assoc., 11 Penns Trail, Newtown, Pa. 18940.

Results: Deposits increased more than 33%, which exceeded the thrift's goal. Cost per $1,000 of new deposits was about $5. Advertising media utilized included TV, newspaper, radio and billboard. Statement stuffers and point-of-purchase materials also were used. The premium was selected because of its quality, which gave the promotion a quality image that rubbed off on the thrift. Employees received a set of glasses free and could purchase additional sets without qualifying deposit.



CLOCKS/WATCHES

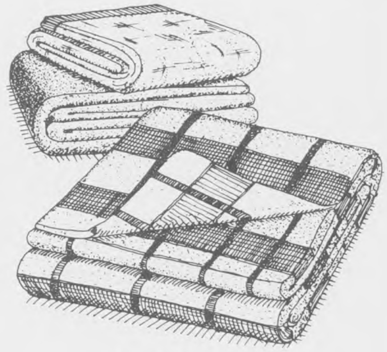
Bank: Citizens Bank of Michigan City, Ind.

Premium: Brand-name clocks and watches.

Offer: Variety of alarm clocks, watches, grandfather clock available free at the $200, $1,000 and $5,000 deposit levels in new or existing accounts. Items could be purchased at various amounts at different deposit levels. Also available were pendant watches, travel alarm clocks and electric watches.

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

Results: 687 new accounts with $8.6 million deposited in new and existing accounts. Some 53% of total dollar amount was deposited in existing accounts. Cost per $1,000 of deposits gained was $1.66. Supplier helped with campaign development, advice, displays and forms for inventory control, according to a bank spokesman. Employees could buy the clocks and watches at the bank's cost.



BLANKETS

Bank: First National, Columbus, Ga.

Premium: Blankets.

Offer: Choice of five blankets free or self-liquidating at the $100, $1,000 and $5,000 deposit levels. With each additional $50 deposit, blankets could be purchased ranging from $5 to $18.

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

Results: Some 1,575 new accounts totaling more than $3.3 million in deposits were opened. More than $1 million was deposited in existing accounts. Cost per $1,000 of deposits gained was $2.38. Bank announced campaign through newspaper, radio and television ads and statement stuffers. The combination of approaching winter weather and Christmas helped. "Cool weather and Christmas were just around the corner and we felt that this premium would be perfect for this time of year," according to a bank spokesman. Supplier suggested the type and color of most popular blankets and suggested the amount to be ordered. Employees were able to buy the blankets at cost. The bank offers this advice: "Bankers should be sure they have ample storage space to keep blankets during promotion."

CHINA/STONEWARE

Bank: Elmhurst (Ill.) National.

Premium: Empress china and stoneware.

Offer: A four-piece place setting free with deposit of $250-$5,000 to a new or existing savings account or CD. Deposits over $5,000 were eligible for a $10 discount on any purchase or two free place settings. Additional items could be purchased for every additional $100 deposit over $250 to new or existing accounts. Only one free gift per family was permitted.

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

Results: More than 300 new accounts totaling $1.5 million in deposits were opened. Some $3.4 million was deposited to existing accounts. Bank marketed campaign through newspaper advertisements, direct mail, statement stuffers, statement messages and lobby displays. Employees were given free premium and able to buy additional items at customer cost.

The bank decided on the dinnerware premium because the overall cost was low, it had been an effective program at other financial institutions, the supplier was reliable and unused items could be returned. The supplier sent display shelves and provided advertising material.

FRENCH LEAD CRYSTAL

Bank: Columbia National, Chicago.

Premium: French lead crystal.

Offer: Choice of any pair of stems or tumblers free with deposit of $50 or more in new or existing savings account. Each additional $25 deposit entitled customer to purchase additional pair for $5.95.

Supplier: Salem China Co., Salem, OH.

Results: Six-month promotion resulted in $1.6 million in new deposits. The bank gave away 3,304 pairs and sold 7,458 pairs (items were sold in pairs only). Wine stemware was the most popular of the six types of crystal offered. The promotion succeeded in enabling the bank to build deposits in passbook accounts at a time when other banks were losing such deposits.

Crystal-Clear Results Obtained by Bank Offering Lead Crystal to Depositors

"SAVE WHERE the Rewards are Crystal Clear" was the catchy slogan used by First Alabama Bank, Montgomery, during its recently concluded premium promotion featuring French crystal stemware and tumblers.

And the results now are crystal clear! The bank chalked up a $14.7-million gain in savings account deposits and moved almost 103,000 pieces of crystal during its 10½-month promotion, according to Marvin J. Brokaw Jr., assistant marketing officer.

The basic objective of the promotion was to increase savings and to encourage new and existing customers to save on a regular basis. The French crystal did the trick. Almost 4,000 new accounts were opened with a dollar volume of $5.4 million. The balance of the new deposits took the form of add-ons to existing accounts. The results exceeded the bank's goal, said Lisa D. Barber, market research analyst for the bank. The bank's cost per $1,000 of new deposits was $2.57.

The terms of the promotion were designed to encourage customers to save on a regular basis. Any deposit of $50 or more to a savings or Golden Time account qualified customers to receive a pair of lead crystal stems or tumblers at no cost. Thereafter, any customer depositing $25 or more in a savings or Golden Time account could purchase additional stems in pairs at $6.50 or tumblers at $5.50.

CD and IRA customers weren't eligible for the free portion of the offer, but they could purchase crystal at the regular customer price with any deposit of $25 or more into their IRA or CD accounts.

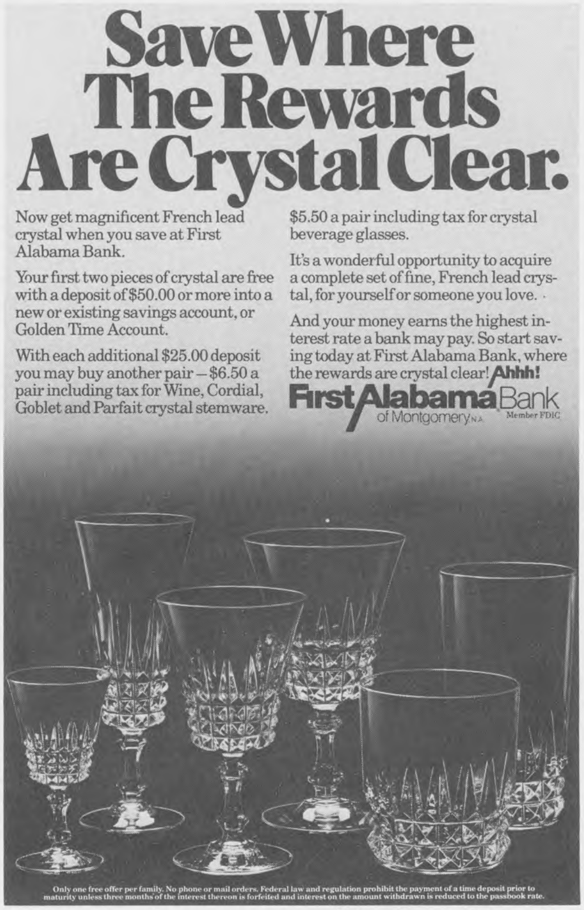
The program was promoted through newspaper, radio/TV, billboards, statement stuffers and lobby displays. The six styles of crystal were displayed in the advertising. They included cordial, parfait, wine and goblet stemware and old-fashioned and beverage glassware.

When asked how the premium was selected, Mrs. Barber said that the bank is constantly being approached by representatives of various premium firms. The bank's marketing department maintains a file of all brochures and correspondence from these firms and, whenever a premium offer is considered, these files are scanned for the "right" item.

In this case, Mrs. Barber said the bank conducted a survey in a local mall to let the public help select the premium. Several premium items were placed on display and shoppers were asked to rate them. A few routine questions about premiums were included in questions making up a routine telephone survey the marketing department conducts annually. Respondents were asked to rate several premium items regarding their appeal. People were asked if they would purchase a certain item. They were asked if the offering of such an item by a bank would cause the customer to do business with that bank in order to get the premium. "In both surveys, crystal came out on top, and we had a high percentage of respondents say that the crystal would affect their choice of banks," Mrs. Barber said.

The crystal was furnished by W. M. Dalton &

(Continued on page BG/46)



Print-media ad promoting French lead crystal premium offered by First Alabama, Montgomery, stressed crystal-clear rewards of saving regularly. Six items of crystal were supplied by W. M. Dalton & Associates.

Photo Promo

(Continued from page BG/36)

reasons — to sit for a portrait," the spokesman said. "Then all they had to do was to return later to select their free gift."

An additional gift was presented at the time of each sitting — a coupon good for $5 toward the purchase of additional color prints for anyone adding $100 to an existing account or opening a new account for a like sum.

"All in all," the spokesman said, "the promotion offered three positive experiences for everyone electing to respond to the offer."

And the response was gratifying: 2,685 families made appointments, a respectable 2.6% of those solicited. Ten percent of those receiving the $5 coupon either added to an established account or opened a new account. Total balance on deposit as a result of the portrait program was just under $100,000 — and it was all new money.

Portrait sittings were scheduled for six days. One phone number was given on the direct-mail piece for people to call to make appointments for sittings. "One appointment taker scheduled sittings for all branches and did so expeditiously to make maximum use of the photographers' time and equipment," the spokesman said.

At the time of the appointments, people were greeted by a hostess who put them at ease, gave them whatever instructions were necessary and directed them to the photographer. From then on, everything was handled by the photographer, who greeted each group, made them comfortable, determined their choice of backdrops, posed and reposed them, took several shots of different poses and explained the follow-up procedure of examining the proofs and making a selection. Each group was handled in 10 minutes or less.

A variety of sittings was taken of each family group, including one of the entire family, one of the parents, one of the children, etc. This worked to Olan Mills' advantage to encourage those being photographed to purchase extra prints, but it also made the customers more appreciative of the service, since it appealed to their pride in their loved ones.

A low-to-no-pressure approach was taken by the Olan Mills people who returned to the thrift with the proofs. The thrift spokesman said there was no attempt to induce, coerce or coax people to buy additional portraits. "Intimidation wasn't necessary," he said, "since the photos sold themselves."

The promotion resulted in a happy combination of satisfied customers, satisfied Olan Mills and, most important, an extremely satisfied City Federal! ● ●

Orville Redenbacher and the Gay '90s Whiz Bang Popcorn Wagon

Northern Indiana Bank, Valparaiso, purchased this Gay '90s Whiz Bang popcorn wagon to promote city's Popcorn Festival. Manning wagon in front of bank are (from l.) Les Robinson, e.v.p.; John Schnurlein, mktg. dir.; and Andy and Jenni Stritof. More than 300 pounds of corn were popped and distributed by bank in connection with festival.

WHEN YOUR TOWN produces the number one selling popcorn in the nation, a celebration surely is called for! Hence, the First Annual Popcorn Festival, staged by the Greater Valparaiso (Ind.) Chamber of Commerce last fall.

The event, which honored "Popcorn King" Orville C. Redenbacher, developer of the popcorn bearing his name, brought to mind Mardi Gras with its royalty "floating" about. Those who helped place the Popcorn King on his throne now are well known to all in Valparaiso and for a distance thereabout.

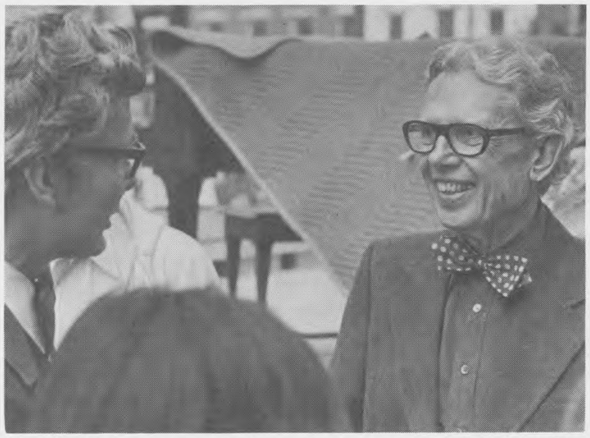
The crew at Northern Indiana Bank, known locally as the "Willing Bank," used the occasion to spread its own brand of popcorn diplomacy throughout the popable kingdom.

Northern Indiana Bank personnel were quick to jump on the popcorn wagon when the Chamber of Commerce took on the challenge of creating a festival that would include welcoming home ceremonies for Mr. Redenbacher. Charles F. Bowman, bank director, served as general chairman for the festival. Bank President Joseph W. Bibler served as master of ceremonies for the Popcorn Ball honoring "King Orville." At the ball his majesty was roasted and toasted by former Secretary of Agriculture Earl L. Butz, Senator Birch Bayh, Lieutenant Governor Robert D. Orr and Congressman Floyd J. Fithian.

Keeping an eye on the festival's finances was bank Executive Vice President Leslie E. Robinson.

The bank kept itself in the public eye during the two-day festival by entering a float in the festival parade that was a replica of the bank's Gay '90s Whiz Bank Popcorn Wagon. Riding the float was an Orville Redenbacher look-alike from the bank staff — Loan Officer Larry Roxy. Five "popcorn persons"

(Continued on page BG/46)



LEFT — Orville Redenbacher look-alike Larry Roxy occupies place of honor on Popcorn Festival float that garnered first prize for sponsor Northern Indiana Bank, Valparaiso. Mr. Roxy is a bank loan officer. RIGHT — Real Orville Redenbacher (r.) meets Mr. Roxy during First Annual Popcorn Festival honoring Mr. Redenbacher, whose brand of popcorn is nation's best seller. Popcorn was developed in Valparaiso.

Buckle Promo

(Continued from page BG/26)

account.

- Buckles could be purchased outright for $10.95. Three-buckle collections, including display plaques, were available for $47.85 (large-size buckles) and $44.85 (small-size buckles). Handcrafted belts also were available, as was a limited number of silver buckles, which went for $100 each. The vendor paid the HC a small commission for each silver buckle sold.

Each buckle was presented to the customer in a leather pouch imprinted with the HC's logo. Every buckle was sequentially numbered for registration purposes with *American Collector* magazine and customers received booklets outlining the story behind the buckles plus a registration certificate.

The promotion was announced via four-color statement stuffers, a four-color newspaper insert for daily and weekly papers and concentrated TV, radio and outdoor advertising. Point-of-sale materials included display plaques and posters. Media promotion was scheduled during the campaign. The initial phase concluded with a Christmas promotion.

The HC achieved its original goal of more than $100 million in new deposits during the first seven months of the campaign. More than 46,000 buckles had been moved by that time. More than 5,000 belts and 400 silver buckles had been sold, along with 750 buckle displays. The belts, silver buckles and displays were responsible for the $21,000 profit.

In terms of public relations rub-off, the program was judged as excellent by Mr. Brower. During the promotion, buckles and display plaques were presented to the governors of Utah, Idaho and Wyoming, religious leaders, senators and representatives, members of the press, state historical societies, corporation directors and senior management officers.

In addition, First Security's medallion — cast from the same mold as the buckle — was given to 150 delegates attending the annual meeting of the Association of Bank Holding Companies being hosted by First Security.

When the first phase of the promotion was over, 55,000 buckles had been moved. About half were sold outright and the rest were moved with deposits. More than $140 million in new or additional deposits was generated and practically everyone in the HC's three-state area was aware of the HC and its 50th anniversary. ● ●

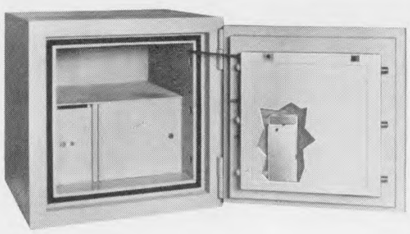
New Products and Services

• **Howard Neon & Displays.** This firm announces the Howard HED-100 System, which is a series of non-illuminated post and panel signs for primary and secondary site identification and directional systems, which do not require a qualified installer. The all-aluminum signs come in various finishes and colors in letters two to six inches in height. Write: Howard Neon & Displays, 2910 Pittsburgh Ave., Erie, PA 16508.

• **Brandt.** A new currency processing system consisting of a single, compact unit that counts both quantity and total value of currency and documents has been announced by this Watertown, Wis., firm. The system permits coin and check totals to be keyed in for unified processing of receipts. Whether batch or continuous counting, the operator enters the desired function into the keypad/command center, and denomination, batch and count are presented in a LED display. The system is said to eliminate the need for adding machine verification of deposits by its paper tape printout that serves as a permanent analysis of all items deposited. Day-end balancing is accomplished through elimination of multiple adding machine tapes and the transcription from tapes to spread sheets. Write: Brandt, Inc., Watertown, WI 53094.

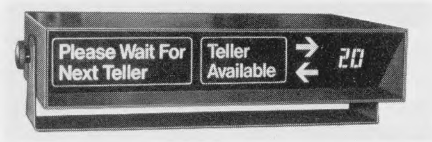
• **Mosler.** This safe company has published a new four-page, four-color photo brochure featuring the St. Clairsville, O., branch of Buckeye Savings & Loan. This new branch is completely Mosler equipped. Write: Mosler Safe Co., Department PR-182, 1561 Grand Blvd., Hamilton, OH 45012.

• **Travelers Express Co.** Details of a new payment system package for banks are explained in three new brochures from this Minneapolis-based company. This system consolidates several paper-payment instruments into two forms — money orders in amounts up to $1,000 for use by bank customers and official checks that replace tellers checks in unlimited amounts except for $1,000 minimums. In both cases, according to a company spokesman, banks can cut down on back-office work, simplify their operations and save money. Write: Financial Marketing Manager, Travelers Express Co., Inc., 5075 Wayzata Blvd., Minneapolis, MN 55416.



• **Diebold, Inc.** This company, based in Canton, O., has manufactured a new Multi-Guard® SC-600 alarm that transforms a standard safe into a self-contained physical and electronic security system. When factory-installed in a Diebold Cashgard® safe, alarm controls, batteries and sensors are contained within the door, hiding the system from view and allowing maximum use of the safe's interior. Alarm is armed and disarmed by the safe's combination lock. Once the system is "on," heat sensor, sound detector and door contact are primed to detect burglary attacks. If an alarm detector is tripped, the SC-600 is designed to send a signal to the police, a local alarm bell or both. Write: Diebold, Inc., Department E-79, Canton, OH 44711.

• **Electrotec, Inc.** This Elk Grove Village, Ill.-based firm has a single-line traffic control system that features a



new, low-profile, non-glare message screen to direct lobby traffic. Self-contained in a compact, modern case that's adjustable to any height and angle, this screen allows for rapid changing of directive instructions for customers. Write: Dave Kasbee, Electrotec, Inc., 71 Gordon St., Elk Grove Village, IL 60007.

• **Federal Sign.** This company has two booklets entitled, "Federal Electronic Displays" and "Visual Identification for Financial Institutions" that graphically portray the firm's electronic and eye-appealing signs. Write: J. E. Buckley, Federal Sign, 140 E. Tower Dr., Burr Ridge, IL 60521.

Redenbacher

(Continued from page BG/42)

surrounded Mr. Roxy on the float. By the way, the entry won first prize!

The bank's six-bay drive-in in the downtown area became a second stage for amateur talent in the area. It featured singing groups from Valparaiso University and the local high school, an oriental belly dance troupe, mideastern dancers, a guitar player and the Boy Scout Order of the Arrow Indian Dance Team.

The bank distributed more than 2,500 shopping bags to those visiting the 125 booths erected for the festival in the town square. The bank's Gay '90s Whiz Bang Popcorn Wagon, manufactured by Gold Medal Products, Cincinnati, was part of the Square events portion of the festival chaired by John Schnurlein, director of marketing for the bank. The popcorn wagon was open for 12 hours each day, dispensing Redenbacher Gourmet Popping Corn.

For nine weeks previous to the festival, the popcorn wagon was stationed in front of the bank where festival information was given out — along with more then 300 pounds of popped corn. The bank also sold 400 souvenir popcorn wagon coin banks at $3.95 each to collectors during the festival. The banks were manufactured by Banthrico, Chicago.

The success of Mr. Redenbacher's popcorn has made him one of Indiana's best-known sons. He had tested and tasted popcorn during his youth and had always dreamed of developing a superior popcorn. He studied plant breeding and agronomy when hybrid corn research was being pioneered in Indiana in the 1920s and continued his search for the best popcorn strain while teaching high school agriculture classes and serving as a county farm agent. After he teamed up with a friend to form Chester, Inc., in Valparaiso in 1952, the Redenbacher strain of popcorn was developed. It wasn't long before the corn was distributed on a national basis and became the nation's top seller.

Many of the more than 30,000 people attending the Popcorn Festival are looking forward to the second edition, set for this fall. And the people at Northern Indiana Bank are ready to take part once more. In fact, Mr. Schnurlein's name has been "popped" as chairman for the hot-buttered fun event! ● ●

Lead Crystal Promo

(Continued from page BG/40)

Associates, Newtown, Pa. The firm offered to coordinate all shipments and help the bank with its lobby displays, Mrs. Barber said. The firm also had a representative on hand at the kickoff staff meeting to answer any questions staff members had.

The promotion provided bank personnel with excellent opportunities to talk face-to-face with customers, Mrs. Barber said, giving personnel a chance to cross-sell bank services.

When asked what would be done differently now that the promotion is over, Mrs. Barber said a somewhat higher price should have been charged for the crystal to make the bank's profit margin large enough to offset the loss involved with distributing the free units. She also said the free offer should have been ended earlier, so that all further movement of the crystal would have generated a profit rather than a loss.

It was a big job to keep tabs on the stock of crystal in the bank's 17 offices, she added.

Customer comments about the campaign were all positive, Mrs. Barber said. There were many comments on the high quality of the product and the availability of the product at such a low price.

At the staff meeting to kick off the promotion, the bank gave everyone attending a free unit of the crystal (a unit is two pieces). During the campaign, employees were given the option of purchasing crystal at the bank's cost, with no deposit necessary.

Summing up the promotion, Mr. Brokaw said, "The crystal promotion allowed our bank to maintain a relatively stable savings deposit base in a time period when the nationwide trend was showing savings dollars leaving financial institutions."

In Montgomery, as well as other locations, it's crystal clear that premiums still are doing the job for financial institutions! ● ●


O.K.,
Watch the Birdie!
Our Gift To You
Over 4 million customers regularly watch the Olan Mills Birdie!
We're America's favorite family photographer. We're photographing from sea to shining sea in 700 studios.
And we've been photographing for over forty-eight years.
Now we're soaring into banks with a complete portrait promotion program at no cost to your bank.
It's a program that's guaranteed to feather your nest.
For more information contact the
Bank Marketing Division
1101 Carter Street
Chattanooga, Tennessee 37402
Telephone (615) 622-5141 Ext. 265
We use Kodak paper... for a good look.
olan mills
THE NATION'S STUDIO

Finding profit improvement in your own backyard

By George Drakey

IN the current economic environment of escalating operating costs and higher costs of funds, banks must constantly be searching for new sources of revenues or new methods to reduce costs.

In this article, we will discuss some of the techniques used in our profit-improvement programs and pinpoint what banks are doing to accomplish the above: generating sources of new revenues and reducing costs.

Recently, the area selected by most banks to be "re-priced" has been demand deposits. Numerous seminars throughout the country and current literature have encouraged banks to evaluate their pricing strategies or lack of them. This stimulus has resulted in numerous increases in service charges or fees for:

- Checking accounts.
- Overdraft/return check charges.
- Stop payments.
- Cut-off statements.
- Other related services.

Today, we hear or read about $10-$15 fees for return checks, which heretofore were either nonexistent or nominal.

Service-Charge Income As Percent of June 30, 1978, Demand Deposits (IPC)

ALABAMA	1.0%
ARKANSAS	0.9%
ILLINOIS	0.5%
INDIANA	0.7%
KANSAS	0.9%
KENTUCKY	0.6%
LOUISIANA	0.9%
MISSISSIPPI	1.6%
MISSOURI	0.6%
NEW MEXICO	0.8%
OKLAHOMA	1.0%
TENNESSEE	0.8%
TEXAS	1.0%
Average for 13 states	0.7%

Source: Adopted from "Assets and Liabilities, Commercial and Mutual Savings Banks, June 30, 1978," prepared by FDIC, Division of Management Systems and Financial Statistics.

We seem to be in an era of product management and commensurate pricing or re-pricing for the value of these products or services. One bank, MidAmerica Bank, East St. Louis, Ill., has taken a significant step by establishing an account-inquiry charge for those customers who request tellers to look up their balances. Norman Backues, executive vice president of the bank, indicates that the reason for this fee is to offset the cost of doing business. By charging for specific services rendered, the bank thereby distributes the cost of doing business to those who use it. Some banks now are charging at least 25¢ per check for those items read over the telephone by bookkeepers to customers who habitually request this service.

Service-charge levels often (but not always) are restricted by competitive marketplace factors. As can be seen in the accompanying chart, service-charge income as a percent of demand deposits for 13 states varies from a low of 0.5% in Illinois to a high of 1.6% in Mississippi. Even within the same state and same city, service-charge income varies significantly. For example, based on published data for 1978, service charges as a percent of average demand-deposit accounts of individuals, partnerships and corporations for the larger St. Louis banks were two to three times higher than those of the larger Kansas City banks, ranging from 0.10% and 0.16% to 0.05%.

To significantly increase your demand-deposit-account-service-charge income, we suggest you have only to look in your own "backyard." Based on our experience, we have found numerous areas in which banks typically can improve their revenues or reduce costs. Areas we will discuss include:

- Waiving service charges.
- Paying on uncollected balances.
- Maintaining inactive or small DDA accounts.
- Retaining outdated service-charge schedules.
- Opening and servicing "penny savings" accounts.
- Keeping inactive or small savings accounts.

Waiving Service Charges. In a recent profit-improvement-program review, we found that one $80-million midwestern bank was waiving about $115,000 per year in demand-deposit service charges and an additional $65,000 in overdraft charges. It is not unusual for us to find that as much as 50% of service-charge income can be waived by both large and small banks.

We agree with the concept that service charges can be waived for selected accounts, but waiving should not be done on a wholesale basis or without justification. All too often, it seems that the new-accounts clerk is the individual who waives a large portion of the accounts. To better control waived charges, we suggest you (a) require an officer's signature to waive any fees, (b) let the customer ask for the waived status — don't volunteer it, (c) be able

George Drakey is a principal in the management consulting department, Peat, Marwick, Mitchell, St. Louis, and is responsible for the firm's Midwest financial institutions consulting service.

to justify the waived status and (d) prepare a monthly report by an officer, to determine who's "giving the bank away."

Paying on Uncollected Balances. Too often, we also note that many banks are paying checks on uncollected funds. Although this practice generally is limited to the better accounts, it is too expensive for today's economy. For those customers who repeatedly draw on uncollected funds, a direct charge should be made against their accounts, and/or for corporate or large individual accounts, an account analysis should be completed to ascertain if the account relationship is profitable.

Inactive or Small DDA Accounts. In the case of one $100-million bank located in the Mid-South, we discovered that approximately 4,000 accounts, or 40% of their total demand-deposit accounts, accounted for an average balance of only $72,000, or about $18 per account.

A further review indicated that 550 checking accounts were on file with a total balance of less than $40 (overdrafts were not included). The bank was paying data processing fees of nearly $140 per month and postage expense of $80 a month, or paying $220 per month to maintain these 550 accounts with a balance of $40. On an annual basis, out-of-pocket costs for these accounts were $2,640, excluding other direct and indirect expenses relating to maintenance of these accounts.

Outdated Service-Charge Schedules. Two years ago, we were in the lobby of one bank in Kentucky that had a service-charge price list lying on the lobby counter for customers' convenience. This list was last revised and printed in 1963 and represented the "bargains" given by the bank.

To assure you this is not an isolated case, albeit an unusual one, we observed just recently that the trust department of a major $500-million bank had last raised its fees in January, 1977.

We strongly urge all banks to review their various price schedules and determine when they were last increased. This review process should be an annual task and should include all banking services.

"Penny Savings" Accounts. In the area of savings accounts, several recent developments are worthy of note and possibly adoption by your bank. Some St. Louis-area banks, for instance, recently have taken a long needed stand and no longer will open or maintain savings accounts with balances of less than $50. The one exception is they provide such accounts for children whose parents maintain accounts with the bank.

These banks understand they cannot profitably open and maintain accounts with such low balances. They also are beginning to restrict the number of withdrawals by enforcing a charge of 50¢ to $1 for each withdrawal in excess of five or six per quarter.

To appreciate the rationale of this approach, one has only to review the Federal Reserve Functional Cost Analysis for 1978, which indicates per-unit transaction costs for savings activity of 316 banks in the range of $50 million-$200 million of deposits were (a) 43¢ to process a deposit, (b) 87¢ to process a withdrawal, (c) $3.04 to open an account and (d) $12 for account maintenance.

Other banks have adopted a strategy to accept accounts with less than $50 balances, but not to pay interest on the account unless the interest is more than, say, 50¢ per quarter. According to the functional-cost analysis, the cost per transaction to post interest is $1.66. Again, we can see the need to rethink some of the traditional services provided by banks.

In the same $80-million bank previously mentioned, we found more than 2,300 accounts in the $1-$5 range, with only $3,000 in balances or an average of approximately $1.30 per account. Data processing and postage costs for these accounts exceeded $4,000 a year, to maintain $3,000 in balances.

Inactive/Small Savings Accounts. As in the examples cited for demand deposits, zero-balance and inactive accounts with low balances (e.g., $5 and under) should be reviewed and, where possible, taken into income if permitted by state escheat laws.

Banks should review their signature and passbook regulations to verify that they include the necessary language that will permit banks to service charge inactive or small accounts. If state laws will not permit service charges to these accounts, an alternative is to close the accounts and forward an official check to the customer. At least, this will eliminate some of the data processing and postage costs associated with these accounts.

Conclusion. With the immediate need for additional revenues, you can see from the above examples that you need look no farther than your own "backyard" to find additional sources of revenue as well as cost-reduction measures. Although some of the examples cited may seem to be extremes, we know they exist in both large and small banks and are a source of profit improvement. • •

Together we have more to offer.

By joining hands we can do a lot better for our customers and ourselves.

National Boulevard can help augment your banking operations, expanding the scope of existing services and implementing new ones for your respondent customers.

Our "One-On-One" correspondent banking professional works closely with his counterpart at your bank. His job: to coordinate financial resources, facilities and capabilities for maximum benefit.

At National Boulevard there's only one way—the One-On-One way—for us to work together. And when we do, we make a combination that's practically irresistible—and highly profitable.

Nbb

NATIONAL BOULEVARD BANK OF CHICAGO

The bank for the New Downtown

400-410 N. MICHIGAN AVENUE, CHICAGO, ILLINOIS 60611 • ONE ILLINOIS CENTER, CHICAGO, ILLINOIS 60601 • (312) 836-6500
MEMBER FDIC

New IBAA officers are, l. to r.: treas., Robert H. Fearon Jr.; pres., Thomas F. Bolger; immediate past pres., Raymond D. Campbell; 1st v.p., W. C. Bennett; and 2nd v.p., Robert L. McCormick.

Independents Urge Congress:

Eliminate Interest-Rate Differential Between Commercial Banks, Thrifts

ELIMINATE the current differential between interest rates commercial banks and thrift institutions are allowed to pay savers, the Independent Bankers Association of America urged Congress at the IBAA's 50th-anniversary convention in San Francisco last month.

In a resolution adopted at the convention, the association called on the House to amend legislation that would give thrift institutions more power to make loans and accept deposits. The convention, held March 9-12 at the San Francisco Hilton Hotel, was attended by about 2,500 independent bankers, spouses and guests.

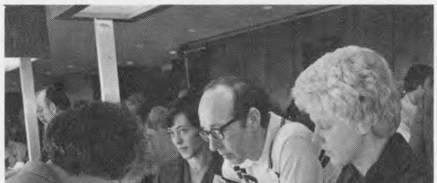
The resolution urged that the House reject a House-Senate conference report on the Depository Institutions Deregulation and Monetary Control Act and send it back to conference with instructions to eliminate the rate differential as of January 1, 1981. In most cases, this differential is ¼%.

Just a week before the convention, the House-Senate conference resolved differences in legislation previously passed by the House and Senate. The compromise bill would phase out Regulation Q over six years. It would permit financial institutions nationwide to offer negotiable-order-of-withdrawal (NOW) accounts — interest-bearing checking accounts. The bill also would require all regulated financial institutions to maintain reserves with the Fed.

The bill should be sent back to conference, the resolution stated, "Since the overridingly important issue of the termination of interest-rate controls, expanded asset and liability powers of the thrifts and the relationship thereto to the continuation of the differential has not been considered by the House of Representatives in this Congress.

"It is not in the nation's interest to foster a national policy of discrimination against banks (and their customers) lending to the consumer, agriculture, small business and housing," the resolution said.

Convention delegates advanced Thomas F. Bolger to IBAA president for the coming year. Mr. Bolger is president/CEO, McHenry (Ill.) State. He succeeded Raymond D. Campbell, president, Oberlin (O.) Savings Bank Co.



Mr. and Mrs. Thomas Conner (he's pres., American State, Ligonier, Ind.) make table reservations for evening event scheduled during 50th-anniversary convention of IBAA last month.

W. C. Bennett, executive vice president/CEO, Arthur State Bank, Union, S. C., succeeded Mr. Bolger as IBAA's first vice president.

Robert L. McCormick Jr., president/CEO, Stillwater (Okla.) National, was named IBAA second vice president. Robert H. Fearon Jr., president, Oneida (N. Y.) Valley National, was reelected association treasurer.

In other resolutions adopted at the convention, the IBAA:

- Objected to federal regulations that (1) attempt to preempt state law and (2) would interfere with bank insurance agencies operating in compliance with state law.
- Supported legislation excluding from reportable income the first $200 of interest or dividend earned for an individual and $400 for a married couple filing jointly.
- Favored legislation that would permit tax-free exchange of small independent bank stock by exchanging the bank stock for any other type of security acceptable to the seller. The resolution noted that the 1976 Tax Reform Act severely limits deductibility of interest paid on bank-stock loans, thus restricting purchases and sales of banks and imposing a special hardship in the transfer of a small bank from one independent owner to another.
- Urged Congress to address the

LEFT: Enjoying buffet breakfast at IBAA's 50th-anniversary convention are (l. to r.): C. W. Daugette Jr. and Clarence W. Daugette III, both of Jacksonville, Ala.; Barbara and John Shipp, Lydia Willits Bartholomew and William Willits, all of Malvern, Pa.; Florence Daugette, "Burt" Daugette Lowe and Lynn Lowe, all of Jacksonville, Ala.

CENTER: This table of IBAA conventioneers is composed of (clockwise from lower l.): W. L. Haesemeyer, State Center, Ia.; Ray and Shirley Cluxton, Miamisburg, O.; Walter and Helen Hall, Dickinson, Tex.; Margreth and Jean Quartemont, Webster, Tex.; Lorraine and Joseph Connelly, Westchester, Ill.; and Hildie Haesemeyer, State Center, Ia.

RIGHT: Taking time out from buffet breakfast at convention to have their picture taken were (clockwise from lower l.): C. A. Wilson, John and Mozella Newman (Jr.), all of Scottsboro, Ala.; George, Kyle, Cami and Helen Crews, Brownwood, Tex.; Allen Main, Maurine and John Gay and Juanita Wilson, all of Scottsboro.

question of Fed membership, giving cognizance to the special problems and costs facing smaller banks against the backdrop of widespread recognition that reserve requirements on smaller banks are not necessary for the conduct of monetary policy.

- Supported legislation that would impose a moratorium on foreign takeovers of U. S. banks until Congress has studied the issue and determined that such takeovers are in the public interest.
- Recommended legislation for grants, loans, loan guarantees and research on creation of alternate energy sources to make the country less dependent on foreign oil and less open to exploitation by foreign countries.
- Generally endorsed the Small Community and Rural Development Policy adopted by the Carter Administration, which proposes new federal programs of grants, loans and loan guarantees for small community and rural development and encourages state and local initiative in these areas. The resolution expressed concern about proposals to promote development of community-based organizations through Rural Small Business Investment corporations and implementation of the Consumer Cooperative Bank and to encourage establishment of rural development credit unions.
- Supported state legislation exempting business and agricultural loans of more than $25,000 from state usury limits.
- Called on Congress to draft legislation with sufficient precision so that the will of Congress cannot be thwarted by bank regulatory agencies in the exercise of their rule-making powers. The resolution also urged increased oversight of the actions of bank regulatory agencies.
- Endorsed HR 2747, limiting growth and activity of large bank holding companies and eliminating arbitrary guidelines adopted by the Fed in establishing and regulating small one-bank HCs.
- Favored legislation to relax Fed guidelines that limit a bank-stock loan made by a one-bank HC to 75% of the purchase price and requiring repayment of the loan within 12 years.
- Resisted attempts to erode the McFadden principle.
- Urged congressional review of financial services, such as money-market mutual funds, which are diverting funds from many communities with the effect of increasing credit costs while diminishing credit availability.
- Urged more flexible borrowing privileges for eligible banks from the Fed so that borrowing maturities can be structured to meet liquidity requirements.
- Called for substantial fiscal and monetary responsibility to halt the inflationary spiral.

The problem of fighting inflation is one of credibility, not an economic problem, Frederick Schultz, vice chairman of the Fed, told the convention.

The Carter Administration is committed to a strong, workable anti-inflation program, Mr. Schultz said. "We are in for two or three months of bad inflation numbers under any circumstances, but can look forward to diminished expectations of inflation," the Fed vice chairman said.

The U. S. is "witnessing a change from a banking structure designed for the 1930s to one more competitive," Orin S. Kramer, associate director, White House Domestic Council, told the convention. "We are witnessing more competition among financial institutions and a blurring of differences," Mr. Kramer added.

The report of a Carter Administration study of the McFadden Act will be delivered by mid-April, according to Mr. Kramer. Under the McFadden Act, national banks are subject to state branch-banking laws.

Congress will be willing to let this subject rest until a significant proportion of the banking industry calls for changes, Mr. Kramer predicted.

In his convention keynote address, Mr. Campbell stated that "The IBAA voice must become stronger and stronger in our conversations with key people on legislative proposals and regulations that affect our industry."

Also, Mr. Campbell suggested, "Let's look at the consumer in the 1980s and try to anticipate what it will be that the consumer will want." This, he said, is because "whether it is good for the country or the economy, what the consumer wants is what the consumer gets."

William M. Isaac, FDIC director, predicted in a convention speech that "our nation's 14,700 commercial banks are likely to find themselves competing even more directly and more intensely with the 27,300 mutual savings banks, savings and loan associations and credit unions."

In Mr. Isaac's view, "significant consolidation in the financial-services sector is inevitable." He considers it "probable that we will have fewer than 42,000 depository institutions by the end of this century." • •

Banking/Financial Markets Institute Started at University in St. Louis

FIFTEEN major banking and financial institutions are sponsors of the new Institute of Banking and Financial Markets, which was unveiled in February by the Washington University School of Business in St. Louis. Dean Robert L. Virgil Jr. says it should become a major resource for banks and other financial institutions throughout the country.

The institute's director is Jess B. Yawitz, professor of finance and business economics, who joined the Washington University faculty in 1971. Professor Yawitz, well known in banking and financial circles, is a recognized authority on management of financial institutions. Last October, he was asked to present an important paper at a symposium in New York City sponsored by *Institutional Investor*. His talk was concerned with assessing the risk in fixed-income investments.

The institute has a three-fold purpose. It is expected to strengthen ties between the university and key banking and financial institutions across the U. S. Through collaboration on various projects, including curriculum planning and student placement, the institute will increase the importance of the area of banking/finance within the School of Business, which already is recognized as one of its outstanding segments. Currently, approximately 30 financial institutions actively recruit on the university's campus. Last year, nearly 25% of graduating business students accepted employment with these firms.

The institute will facilitate efforts by financial institutions to attract first-rate graduates from Washington University. In addition, the institute will encourage and support research by the Business School faculty. A Working

McCRACKEN

YAWITZ

Paper and Reprint Series based on faculty research will be distributed to member organizations, financial institutions and leading academics throughout the country.

The institute also will plan and promote periodic seminars for practitioners in the broad areas of banking and finance. These programs, featuring outstanding speakers from the academic world as well as practicing professionals, will be concerned with topics of contemporary interest to those with banking and financial interests.

Through its diversified program, the institute is designed to make the Washington University School of Business preeminent among universities in this country concerned with banking and financial markets.

The following members of the institute will each contribute $3,000 annually to it: Boatmen's National, First National, Mercantile Bancorp. and Mark Twain Bancshares, Inc., all of St. Louis; Continental Illinois National and Northern Trust, both of Chicago; Edward D. Jones & Co.; Goldman, Sachs & Co. and I. M. Simon & Co., all investment firms.

Associate members include: Clayton (Mo.) Metro Bank; Commerce-Manchester Bank and Lindell Trust, both of St. Louis; Detroit Bank; National Bank of Detroit and A. G. Edwards & Co., Inc., an investment firm.

Establishment of the institute was commemorated February 26 with a noon-day luncheon on the Washington University campus. Featured speaker was Paul W. McCracken, a former chairman of the President's Council of Economic Advisers and now Edmund Ezra Day University professor of business administration, University of Michigan. His topic was "Banking in an Inflation Economy." Professor Yawitz also spoke briefly.

Others taking part in the inaugural luncheon were William H. Danforth, chancellor of the university; Dean Virgil and Donald Lasater, chairman/CEO, Mercantile Bank, St. Louis.

Other Washington University School of Business faculty members who will play key roles in the institute's operations are: William J. Marshall, associate professor of finance, who will share the primary responsibilities for teaching and curriculum with Professor Yawitz; Laurence H. Meyer, associate professor of economics, who will become chairman of the university's economics department in July; John W. Bowyer Jr., professor of finance and consultant to corporate business; and Gary W. Emery, assistant professor of finance, whose principal research interests are capital budgeting and working-capital management.

Other banking and financial institutions are expected to become supporting members as the institute's scope expands. The institute also expects to attract funding through research grants and other external sources. • •

Profit.
A lot of travelers cheques promise it.
But we've got the numbers to prove it: (800) 227-3333.

For over 50 years we've been making the travelers cheque business profitable for our sellers.

So if you're considering a change, get the full story from us first. Just call (800) 227-3333.

Or if you're in California, call us collect at (415) 622-4620.

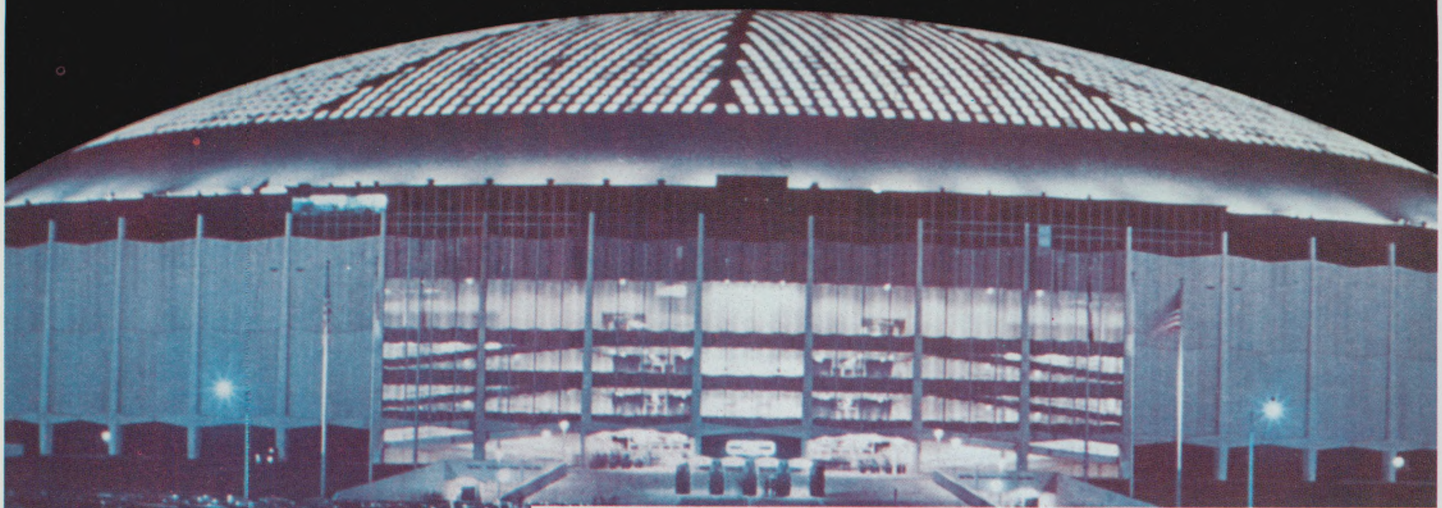
We'll talk about profits.

Not promises.

BankAmerica Travelers Cheques.
World Money® comes through where it counts.

BA Cheque Corporation
A BankAmerica Company

LANDMARKS
of Texas



A familiar landmark on the skyline of Houston, Texas, is the famous Astrodome. Also familiar to those traveling through Houston's thriving Spring Branch area via the busy Katy Freeway is the landmark of Spring Branch Bank. The first unit-type bank in the area, it was established in 1953 and has grown rapidly, with 1979 assets over $141 million.

Spring Branch Bank is one of the first unit-type banks in the country to install an on-line banking system . . . Bunker Ramo's BANK CONTROL SYSTEM 90™. The system currently includes 30 five-inch teller terminals, 22 validation/journal printers, 8 administrative terminals, 2 programmable control units, and 4 disc storage units. Spring Branch officials have found so many uses throughout the bank for BANK CONTROL SYSTEM 90 that expansion plans are already under way.

The Bank found the system provided the easiest method of changeover from their existing audio-response system. Other primary considerations for selection of Bunker Ramo equipment were the compact size of the units themselves, flexibility of the system making it highly adaptable to the bank's needs, more control of transactions at the bank, and customizable keyboards.

Robert R. Combs, Spring Branch Bank President, lauded the efforts of Bunker Ramo sales and marketing support personnel when he stated, "The systems staff at Bunker Ramo was very responsive to our particular needs. The BANK CONTROL SYSTEM 90 teller network gives us the operations control we désire, while enabling us to better serve our customers with increased accuracy and speed."

Once again BANK CONTROL SYSTEM 90 has provided cost effectiveness through increased productivity and reduced training time for tellers and other efficiencies. Installed in over 3,000 bank offices in the United States and abroad, BANK CONTROL SYSTEM 90 is a landmark on bank operations control. It is backed by an experienced customer service force always alert to the user's needs.

BUNKER RAMO

Bunker Ramo Corporation
Information Systems
33 Nutmeg Drive
Trumbull, CT 06609

International Sales/Service: Europe • Latin America • Southeast Asia

Livestock, Grain Outlooks Presented At Missouri Agricultural Conference

LIVESTOCK and grain specialists from the University of Missouri Extension Service forecast market trends for nearly 100 farmers and agribusinessmen at the fourth annual agricultural outlook conference March 11 at United Missouri Bank of Brookfield. Because the speakers' predictions over the past three years have proved remarkably accurate, farmers were anxious to hear what to expect for livestock and grain prices.

Glen Grimes, professor of agricultural economics, University of Missouri/Columbia, and extension program leader for agricultural marketing and agribusiness, returned for his fourth year at the seminar. He said cattle producers currently are in the low stage of the beef-production cycle. Over the long term, he expects the market to continue with strong cattle prices. For the short term, he sees profits improving the latter part of this year. For fed cattle, Professor Grimes predicts \$70-\$73 cwt. over 1980, perhaps reaching \$80 intermittently.

He explained that with the apparent decrease in pastureland, a slowdown in the herd-buildup rate may be indicated over the long run. Assuming this slowdown continues, farmers may experience one of the longest periods of higher feeder prices than they have seen for several years.

Professor Grimes was not so optimistic for the hog market. Because of high levels of production, he expects this market to be at the break-even point for 1980. Records indicate the largest supply of hogs since 1971, and the professor predicts prices will stay between \$36-\$41 this year. Over the longer run, however, he expects the hog market to improve by 1981, with a profitable \$50 or more average for the year.

Abner Womac — new this year to the Brookfield outlook seminar — is a visiting associate professor, department of agricultural economics, with a joint appointment to the University Extension and Research. For the past 10 years, Professor Womac has been involved in commodity analysis and research with the U. S. Department of Agriculture.

He sees an overall increase in government programs as the USDA sells to world markets in an effort to reduce carry-over and improve grain prices for U. S. farmers.

Glen Grimes (r.) and Abner Womac answer questions from audience after their presentations on livestock and grain marketing at United Missouri Bank of Brookfield's agricultural outlook conference. Both men are on faculty at University of Missouri/Columbia.

Professor Womac sees no drastic swings, either up or down, in the corn market over the next year. The U. S. is experiencing a 1.8-billion-bushel carry-over, aggravated by the recent Russian embargo. The price of corn this year will depend, to a large extent, on the amount purchased by the USDA for reserves. He expects to see prices around \$2.30 per bushel this year. If there's good weather, he foresees another big crop in 1981.

Farmers are facing a large soybean crop from last year — up 400 million bushels. In addition, Brazil and Argentina are up 40%-50% over their short crop last year. Professor Womac doesn't see soybeans going far above the current price, which is 75¢ less than last year. With a \$6 average for 1980, there may be occasional rallies.

Wheat farmers also face fairly large stocks, but they are not as burdensome as corn and soybeans. Crop conditions look good in the Wheat Belt, and, with a large winter crop, he sees prices hovering around \$3.75. As with soybeans, both Professor Grimes and Professor Womac advise farmers to devise a market strategy — selling three to four times a year and spreading sales out to benefit from occasional market rallies. Professor Womac also encourages farmers to check with their Agricultural Stabilization and Conservation Service (ASCS) offices as to what governmental programs are available.

Joe Smith, assistant vice president/agricultural representative of the host bank, was in charge of the meeting.

"Farming no longer is simple," said Mr. Smith. "Farmers want to know how to interpret market trends, and they want to understand the economics behind them. Bringing in experts like Professors Grimes and Womac not only aids their understanding of the agricultural marketplace, but it helps them plan their personal marketing strategies." • •

McFadden Act Panel Planned For CSBA Convention In Las Vegas April 27-29

A panel on "The McFadden Act: Where Do We Go From Here?" will be one of the highlights of the 79th annual convention of the Conference of State Bank Supervisors (CSBS) at the MGM Grand Hotel in Las Vegas April 27-29.

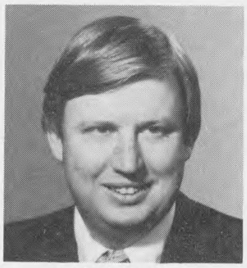
Panel moderator will be Michael D. Edwards, banking supervisor, state of Washington, and chairman, CSBS joint task force on the McFadden Act. Panelists will be James F. Bell, general counsel, CSBS, and a senior partner in a Washington, D. C., law firm; and Edward Lane-Reticker, secretary/counsel, CBT Corp. and Connecticut Bank, Hartford, and vice chairman, CSBS joint task force on the McFadden Act.

The keynote address will be given by Senator Robert B. Morgan (D.,N.C.). Other speakers will include FDIC Director William M. Isaac; Richard S. Hodes, president-elect, National Conference of State Legislatures, and speaker pro tem, Florida House of Representatives; Ed Herschler, Wyoming governor; and CSBS President Dwight Bonham, Wyoming state examiner.

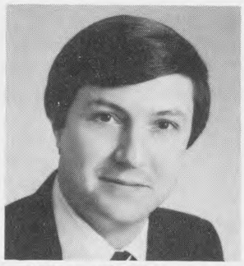
A panel on "Trends in Interstate Banking," will be moderated by Muriel F. Siebert, New York state superintendent of banks. Also planned is a banker/regulator rap session, to be moderated by Erich L. Mildenberg, incoming CSBS president and Wisconsin banking commissioner. Panelists will be Mr. Isaac; John E. Malarkey, state bank commissioner, Delaware; Robert P. Mayo, president, Chicago Fed; and Lewis G. Odom, senior deputy Comptroller of the Currency.

An entertainment highlight will be a tour of entertainer Wayne Newton's Arabian horse ranch and Valley of Fire, Nevada's first state park.

Each of these United Missouri correspondent bankers is a pro.


E.L. Burch


Dave Van Aken


Steve Blackburn

Each has the know-how and experience to help your bank keep up-to-date on regulations and grow more profitably!

Meet the pros.

E.L. Burch, a third generation banker, is Manager of our Correspondent Department. He entered banking in 1962 with Skidmore and St. Joseph banks. After graduation from Northwest Missouri State University, Maryville, he joined our bank. He managed the Investment Service Department, and traveled Oklahoma and Missouri before taking his present position.

Dave Van Aken has traveled Kansas for 23 years. For 17 years he was an ag products salesman for Spencer Chemical and Sales Manager of ag chemicals for Gulf Oil. This experience has made Dave a valued member of our Correspondent team for the past six years. Dave's hobbies include hunting, fishing, and golf.

Steve Blackburn, Assistant Manager of our department, got a B.S. degree in ag business management at Purdue and an M.S. degree in ag economics at Cornell. He joined us in 1973 as a credit analyst, then spent time as a lending and leasing officer. He became calling officer in Northern Kansas in 1976. Steve enjoys fishing, woodworking, and golf.

UNITED MISSOURI BANK OF KANSAS CITY, N.A.

United we grow. Together.

Member FDIC

Money-Market Funds

(Continued from page 6)

in addition to that provided by the SIPC. Also, mutual municipal funds frequently are insured by the Mortgage Guaranty Insurance Corp. (MGIC), Milwaukee.

However, what the average money-market-fund purchaser should realize is that these funds are limited by the prospectus to the extent of risk the manager may assume. These investment standards are equal to or better than investment standard minimums applicable to commercial banks' investment policies. Thus, if commercial banks criticize investments of these funds, they are, in effect, criticizing their own possibly lower standards. Since most of the money-market funds are issued in short-term money-market instruments, they probably have shorter maturities than bank investments. In this respect, money-market funds may have an advantage over investment policies of commercial banks, which have, in some cases, become locked into long-term investments.

The Securities & Exchange Commission (SEC) has told brokerage firms to try to clarify for the investing public the amount and type of insurance provided by the SIPC. Although this is spelled out for customers, there always is the possibility that people might not understand. The investor may receive an incorrect impression about SIPC insurance.

In an interview, a president of a large mutual savings bank indicated his bank was interested in a possible merger with a commercial bank. In connection with this, the mutual savings bank industry has been trying to work out an ingenious arrangement. Mutual savings banks and, presumably, S&Ls would be allowed to sell to their insuring agencies some of their seasoned mortgages at *book* value. These mortgages are seasoned in the sense that they carry relatively low interest rates, but have been on the banks' or S&Ls' books for some time. The insuring agencies, in effect, would have a repurchase agreement by which they would buy low-yielding mortgages at prices *above the current market price* and, in turn, the selling mutual savings bank would take these funds and be able to use them for additional higher-rate mortgages. After some time, the banks then would be called on to buy the mortgages back from the insurance agency. In other words, this arrangement would provide S&Ls and mutual savings banks with a technique with which to partly compete with money-market funds.

Still, I question why would some people be willing to leave their funds in a mutual savings bank at, say, 5½%, if they could get 13% (the approximate rate being earned as of this writing)?

Let's look at this situation in a somewhat different context: About a dozen years ago, it was taken for granted by commercial bankers that, as long as S&Ls were paying less than ½% *higher* than commercial banks could pay, the banks would not have to fear disintermediation. To a limited extent, this basically has been true, although passbook and thrift funds have moved out of commercial banks to S&Ls, which pay a ¼% differential on passbook accounts. However, the difference between, say, a 5½% passbook rate and a 13% money-market fund certainly is going to result in individuals transferring funds to the money markets. A simple examination of published data shows this has been happening for more than a year.

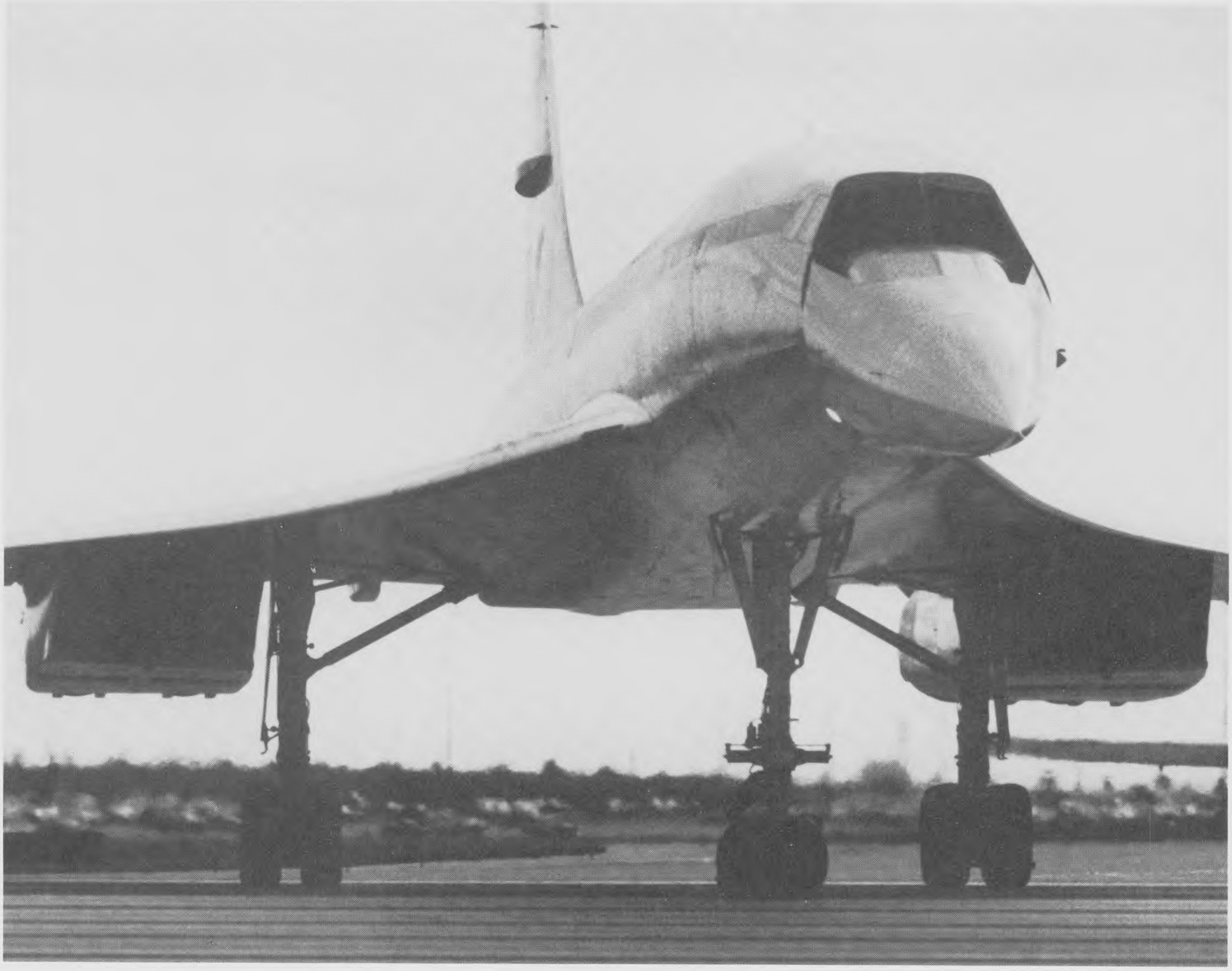
Conclusion. What can commercial bankers do to fight the forces that have been set loose by money-market funds and the related disintermediation? There's no easy answer. Bankers certainly should be thinking seriously of the consequences of these developments.

Another consideration is the strong likelihood that the cost of funds to banks will continue to rise or stay high. As a result, loans will have to bring returns that will permit banks to maintain their spreads on costs of funds and capital. A danger would be for banks to reach out for higher yields on their long-term investments, which probably would be of a less investment-grade nature than short-term money-market instruments.

The bank that doesn't maintain a spread between its cost of funds and its rate of return on loans and investments is bound to experience difficulty. ● ●

Lewis F. Gordon Sr. Dies

ATLANTA — Lewis F. Gordon Sr., 88, who was pres., Financial Advertisers Assn. (now Bank Marketing Assn.) in 1943-44, died January 24. He was v.p., Citizens & Southern Nat'l here, for 30 years and was known for developing the "Man on the Street" public information program.



Dallas is flying high as a major transportation center.

From the days of cattle trails to the days of supersonic jets trailing off in the sky, Dallas has been a transportation hub. A crossroads of the nation ... and now the world.

D/FW Airport is the world's largest airport in area. And many of the travelers who pass through D/FW Airport are bankers ... coming to Dallas for one reason ... Republic National Bank.

Our correspondent banking division is known across the United States. Through Republic National Bank of Dallas, you can offer your customers a complete range of financial services such as 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.

Republic is one reason that Dallas has become the lead city in correspondent banking. Yet even though bankers pass through D/FW Airport on a regular basis, they're only a hint of what the future holds.

For us—and for Dallas—the best is yet to come.

Republic National Bank is Dallas.

REPUBLIC
OF TEXAS

Member FDIC

TIL Guidelines

(Continued from page 20)

$25 million of such balances and at 12% initially in an 8%-14% range for transaction balances above $25 million. Vault cash could count against this reserve requirement, and the $25-million threshold would be indexed at 80% of the inflation rate. Included in the definition of transaction accounts are NOWs, checking, share drafts, automatic savings-to-checking transfers and telephone-transfer accounts.

The Fed could set reserve levels for nonpersonal time deposits at 3% initially in a range of 0%-9%. Whether there would be an exemption of part of these deposits ($5-10 million) from the reserve requirement is still under discussion.

If the Fed determined that it needed additional reserves for monetary purposes, the Fed could set a supplemental, additional reserve requirement in a 0%-4% range on transaction accounts; supplemental reserve balances would earn interest at a rate one-half point below the Fed's average portfolio rate (currently 8%-12%).

The new reserves would be phased in over an eight-year period for non-Fed members. The reserve reduction for Fed members would be accomplished over a four-year period. It is understood that access to Fed services by non-Fed members would be delayed until pricing of Fed services had been put in place. Nonmember banks could pass their reserves through a member bank or through a nonmember and then a member bank to the Fed on a 100% basis.

NOW Accounts/Reg Q. NOW accounts would be authorized effective January 1, 1981, with a uniform rate ceiling for all depository institutions. Also, this section of the bill legalizes share drafts, automatic savings-to-checking transfers and remote-service units as of enactment.

To assure equal treatment, in the 42 states where NOW accounts have not existed previously, the Fed's new reserve requirements for NOW accounts would be imposed on enactment of the bill, with no phase-in period. This applies also to share drafts and automatic-transfer accounts. In the eight states where NOW accounts already are in existence, it is expected that flexibility would be exercised to phase in the new, higher NOW-account reserve requirement for existing Fed members on a gradual basis over the eight-year period.

Regulation Q and the interest-rate gap between banks and specialized thrifts would be terminated after six years. The Federal Home Loan Bank Board (FHLBB) would lose its power immediately to veto changes in deposit-interest limits; instead, a five-agency group (the Fed, FDIC, Treasury Department, FHLBB and National Credit Union Administration) could adjust deposit-interest ceilings by majority vote. The group would be obligated specifically to phase out Reg Q within six years and could create new types of deposits and accounts.

To provide interim relief, conferees set minimum increases in Reg Q ceilings during the six-year period: a minimum of ¼% in the first 18 months; another ½% increase in the next 18 months; and at least ½% each year for the next three years. S&Ls and mutual savings banks could maintain the interest-rate differential in the interim, but only on types of accounts that existed before December 10, 1975.

Usury. Recognizing that action on deposit-interest limits and usury limits should come in tandem, conferees agreed that federally insured lenders could make home mortgage and mobile home loans without regard to state usury restrictions permanently. The usury exemption for mobile home loans would be contingent on certain consumer safeguards (such as simple-interest computation and restrictions on balloon payments). Federally insured lenders could make business and agricultural loans of $25,000 or more at rates up to five percentage points above the Fed's discount rate for three years. And federally insured, state-chartered institutions could lend at 1% the discount rate (as can national banks), at least for three years. State legislatures could block these changes if they chose to do so. Federal credit unions' usury ceiling would be raised from 12% to 15%.

Other elements of the bill would: raise federal deposit insurance to $100,000; expand S&Ls' asset powers along lines generally agreed to by bankers; grant any federal mutual savings bank (of which there are none at present) the power to have up to 5%

of its assets in commercial loans in a restricted geographic area and to offer checking service to those commercial customers; liberalize rules for S&L stock conversions; grant five more years during which national banks may continue to hold acquired real estate; impose a moratorium until October 1, 1981, on new regulatory approvals of formation of trust companies outside a bank or holding company's home state; signal the Fed strongly to be less restrictive in approving financing arrangements for establishment of one-bank holding companies and require financial regulators to conduct cost-benefit analyses of all new regulatory actions. ● ●

Operants, Inc., is a management consulting firm that uses behavioral-modification techniques to solve work-related problems.

J. Robert Carleton received his bachelor and master's degrees in industrial/organizational psychology from San Francisco State University. In between the two degrees, he attended Christ Church, Oxford, England, for graduate work in psychology.

Mr. Carleton entered the business field as a personnel manager, Lawrence Systems, Inc., San Francisco. He also has worked for Individual Learning Systems, Inc., San Rafael, Calif., Bank of America and National BankAmericard, both in San Francisco, and Alameda County in Oakland, Calif. He joined Operants in 1978.

Job Aids

(Continued from page 12)

problem of closing accounts correctly at Wells Fargo Bank, San Francisco, where many customer complaints were generated because of errors in this procedure.

People who could be involved in closing accounts ranged from the officer on the platform to the person who answered the telephone. To get as disparate a group as this to close accounts correctly, a job aid was developed that prompts the people involved to ask the right questions and, based on information gathered, gives step-by-step instructions on how to enter the information correctly in the computer.

3. *Decision Chart* — is a series of yes and no responses to questions that, depending on the responses, lead to other questions. For instance, if the clerk asks question "a" and receives answer "b," the chart, based on that response, will indicate the next step to take. However, if the answer is "c," the chart will lead the clerk in another direction.

These charts are used at Crocker National by telephone collectors. When a telephone collector calls someone who is delinquent in payment, there are some steps to follow when talking to the customer. For example, when asking why a payment is late, the collector receives one of 16 responses. Those 16 responses are on a flip chart, so the collector can simply flip up the card with that specific response and find out what to do next.

4. *Samples and Summaries* — are examples of forms that are close-ups of portions of correctly completed forms and sometimes glossaries.

At Bank of America, San Francisco, a summary-type job aid helped simplify the complex task of agricultural lending. The job aid condensed the 5,000 state pamphlets into one book, summarized the 15 most important facts about each of the crops grown in California and included information on raising livestock. Each crop is on a separate page, and it's easy for the loan officer to look it up and read the information quickly.

In selecting the appropriate job aid, it is important to keep in mind that the job aid must reflect the manner in which the person performs the task. For example, if the person must collate a certain group of materials, a checklist job aid would be indicated; it would not help to have a job aid such as a decision chart, which deals with yes or no answers.

There are some basic guidelines we use to prepare an effective job aid:

1. Keep the vocabulary simple; it will make the point of the job aid more apparent.

2. Use simple phrases, not complete sentences; again, the point is more apparent to the reader this way.

3. Use action words to begin the phrases whenever possible; it puts the point across in a more "active" sense.

4. Focus on a main point; don't try to load the job aid with too much detail. Remember, this is a *job aid*, not a procedures manual. This is a common error companies make in preparing job aids.

5. Use graphics as much as possible; it is easier for the reader to grasp the concept when it is illustrated rather than just described in words. But keep the graphics within the context of the job aid, so they don't distract the reader.

6. Use large type; if the type is too small, it will intimidate the user.

7. Keep the size of the job aid relative to the work environment. One major reason existing job aids are not used as often as they could be is because they are inappropriate for the environment. When this is the case, the job aid is stored away since it is too inconvenient to use when needed.

8. Make the job aid simple and easy to use. If it is prepared in such a way that the person has to be constantly flipping from one page or section to another, the information contained in the job aid will be ineffective. For example, in the case of flow charts, it is better to repeat the essential material that applies to each section, so that the job aid will have continuous flow throughout the individual parts for the person using it.

Effective use of job aids can make the training process, even on complex subjects, simply a matter of showing an individual how the job aid is used. This training approach will increase employees' effectiveness and decrease the cost of making them fully efficient in performing their jobs. ● ●

'America the Beautiful' Kit Aimed at Vacation Clubs

A vacation club package for customers of full-service banks, savings banks and S&Ls has been introduced by Christmas Club a Corp., Easton, Pa.

Entitled "America the Beautiful," the program includes a variety of promotional items and premium incentives. The program is the result of a study that shows that more than 20% of customers of Christmas clubs participate in some other type of savings club program.

The program is designed around a promotional theme of "Vacation clubs start with a capitol idea," according to John H. Guinan, president, Christmas Club. Promotional and premium materials, which display a four-color photo of the nation's capitol building, include checks and envelopes, an ap-

Photo of nation's capitol graces promotional materials for vacation club program produced by Christmas Club a Corp. for financial institutions.

plication folder, passbooks or coupon books, a statement enclosure and counter cards in two sizes. Premium incentives include an "America the Beautiful" hot and cold mug, a popcorn flyer, a wall tile for hanging or displaying and a car care kit for readying the family auto for vacation trips.

Mr. Guinan says that vacation clubs are becoming more popular among regular Christmas club customers. With the advent of increased leisure time on the part of millions of Americans, "we want to provide a quality service that will make it easier for families and individuals to make financial plans for that all-important vacation."

Marine Bankers Formed

Don W. Mattocks, a.v.p., Citizens & Southern National, Atlanta, was elected pres. of the new National Marine Bankers Association, founded during the Miami International Boat Show in February.

Other officers are: v.p., Thomas S. Carroll, a.v.p., First Pennsylvania Bank, Philadelphia; sec., Robert L. Ekoos, v.p./mgr., Lloyds Bank California, Torrance; and treas., Alton J. Holt, e.v.p., First Bank, Lufkin, Tex.

Membership in the association is open to all financial institutions holding marine loans (either retail or floor planning) directly.

Any banker interested should write: Thomas B. Doyle, exec. sec. of the association, at 401 N. Michigan Ave., Suite 2950, Chicago, IL 60611.

Green Stamps for Deposits Bring $9.1 Million to Bank

Turning cash into S&H Green Stamps was the thrust of a premium promotion at Peoples Bank & Trust, Branson, Mo., an affiliate of First Union, St. Louis.

Customers making a deposit of $100 or more to a new or existing savings account — or purchasing a new CD — received one stamp for each $3 deposited. A customer depositing $5,000 received 1,666 stamps, and a $10,000 deposit entitled a customer to 3,333 stamps.

Employees were eligible for stamps, too.

From March to November, 1979, more than $9.1 million in new money was deposited and nearly 2.3 million stamps were issued at a cost of $6,900 to the bank.

"I wish everybody could come and see the fun we've had with this new program," said Lou Hicks, marketing officer, "not to mention all the new deposits."

'Bounties'

(Continued from page 33)

accurately, we keep your money here. With us the community comes first.

"That's why we're willing to pay extra to bring money back. Back where it belongs, back to the north side."

A photo of a pile of passbooks from downtown institutions, including Harris Bank, First National, Continental Bank, Talman S&L and Bell Federal S&L, ran above the finder's fee schedule.

Bounties are paid "to any relative, friend, associate or co-worker of the depositor, a church, civic or social organization . . . anyone who brings us a new certificate account opened with money, personal or business, transferred from a downtown financial institution. The only exceptions are the depositor and members of the depositor's household."

The ad copy was repeated in a direct-mail advertising piece that was distributed to north side Chicago residents. The mailing's cover read, "Bank of Ravenswood will pay cash to bring money back where it belongs," printed over a pile of passbooks and CDs from downtown institutions. The back of the 10x8-inch (folded) piece included a large box labeled, "Figure your finder's fee here." ● ●

NOW WORTHEN GIVES YOU THE BETTER CHOICE IN FUNDS TRANSFER

WITH RALPH FUNDERBURG, NEW MANAGER OF PROOF AND TRANSIT.

Now you have a Better Choice in cash letter and item processing at Worthen Bank: Worthen announces the addition of Ralph Funderburg as assistant vice president and manager of Worthen's Proof and Transit Department.

At 1980 Arkansas Convention:

Usury-Ceiling Problem To Take Center Stage; Politics Also on Agenda

THE USURY CEILING in Arkansas will take center stage at the Arkansas Bankers Association's convention May 10-13 at the Arlington Hotel in Hot Springs.

The latest round in bankers' efforts to get the 10% usury ceiling raised took place last month, when Special Judge Bruce T. Bullion ruled against two Arkansas banks and a truck stop owner who filed a lawsuit seeking to have the ceiling declared unconstitutional. Plaintiffs were First National, Little Rock, American State, Charleston, and Quinn-Moore, Inc., Little Rock. They are expected to appeal to the Arkansas Supreme Court and, if rebuffed there, may take the case to the U. S. Supreme Court. One observer believes that if the case goes that far, its outcome could set a precedent for other states as well as Arkansas.

The two banks and Quinn-Moore initiated the lawsuit after the truck stop firm had difficulty in getting a loan to expand its dining facilities.

In giving his verdict, Judge Bullion said, "Even though the Arkansas usury laws may, and probably do, burden interstate commerce to some extent, it is a congressionally permissible burden, not violative of any constitutional principle."

Although the judge found in favor of the state banking commissioner, Beverly J. Lambert Jr., who is charged with enforcing the usury law, Mr. Lambert actually is one of the leading advocates of raising the limit to a more realistic level. He and other advocates of the change, including the Arkansas Bankers Association, point out that Arkansas money is flowing out of the state because of the low interest rate, especially since money-market rates rose above 10% in 1978.

Temporary relief was provided Arkansas bankers last November, when President Jimmy Carter signed into law the Financial Relief Act, which provides a temporary exemption — until July 1, 1981 — to the state's bankers from usury ceilings on business and agricultural loans. The act, rushed through Congress and supported specifically by Arkansas representatives, allows federally chartered or federally insured institutions in Arkansas to make business and farm loans of $25,000 or more at interest rates not to exceed 5% above the Fed's discount rate. When the temporary act expires in 1981, the usury limit will revert to 10% unless the proposed new Arkansas constitution is approved this November, and the vote is certified. Included in that constitution is a provision to lift the usury ceiling.

Nationally chartered banks in Arkansas have been allowed to charge 1% above the Fed discount rate, but state banks must operate under the 10% usury ceiling after July, 1981, if that ceiling is not allowed to rise either through the proposed new Arkansas constitution or through the courts.

Conventioneers also will be discussing the political situation, especially since Presidential, gubernatorial and congressional elections are all being held this year.

One announced speaker for the convention is Lee E. Gunderson, president-elect, American Bankers Association, and president, Bank of Osceola, Wis.

(Continued on next page)

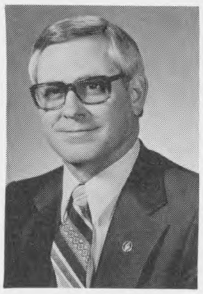
On the entertainment side, the Sunday night reception and Tuesday night reception and banquet will be expanded this year. On Monday night, major correspondent banks in Arkansas will be hosts at a party. They are Commercial National, First National, Union National and Worthen Bank, all of Little Rock, and Simmons First National and National Bank of Commerce, both of Pine Bluff. All the parties will be held at the Arlington.

The president's address will be given by Joe S. Hiatt, chairman/president, American State, Charleston. Several association committee chairmen will make their reports, and new officers will be elected. ● ●

Hiatt, Ramsey, Ford and Woodruff Are Assoc. Officers

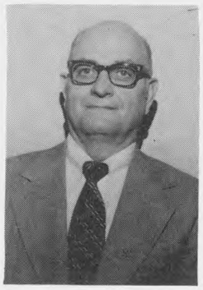
OFFICERS serving the Arkansas Bankers Association this year are: president, Joe S. Hiatt, chairman/president, American State, Charleston; first vice president, Louis Ramsey Jr., chairman/CEO, Simmons First National, Pine Bluff; second vice president, B. J. Ford, chairman/president, Merchants & Planters Bank, Camden; and treasurer, M. S. Woodruff, president/CEO, Merchants & Planters Bank, Camden.

RAMSEY



HIATT

WOODRUFF



FORD

Mr. Hiatt, a native of Charleston, entered banking in 1954 with Fort Smith's First National and went to American State as a bookkeeper in 1957. He advanced to executive vice president and became a director in 1961 and moved up to president in 1967. Mr. Hiatt was senior vice president and a director, First National, Paris, 1971-76.

He served as chairman of the association's Group Three in 1973 and also has been on its board, executive, state government relations, federal government relations, public relations, agriculture, consumer affairs and bank management seminar committees.

Mr. Ramsey was an attorney with a law firm from 1947 to 1970 and still retains a partnership status there. He was elected a director of Simmons First National in 1951, was elected its president in 1970 and advanced to chairman/CEO early in 1979.

Mr. Ramsey received a juris doctor degree from the University of Arkansas in 1947. While a student there, he was a quarterback for the Razorback football team. He is a past president, Arkansas Bar Association and Arkansas Bar Foundation, and, in 1966, was the recipient of those two groups' "outstanding lawyer award."

Mr. Ford entered banking in 1947 as assistant cashier, Bank of Rector. In 1955, he went to Benton State as vice president and, in 1966, to his present bank as chairman/president. He also has been chairman, Merchants & Planters Bank, Sparkman, since 1967.

Mr. Ford is on the Arkansas Bankers Association's federal government relations and state government relations committees, is chairman of its bank management seminar and is state representative, Conference of State Bank Supervisors.

His son, Joseph B. Ford, is vice president, First National, Little Rock.

Mr. Woodruff has been a banker since January, 1956, when he joined Citizens Bank, Carlisle. He became an officer the following June and advanced to president in 1964. In the Ark.BA, he has been chairman of Group Two, chairman of the education commission and a member of the legislative committee. He is a graduate of the School of Banking of the South, Louisiana State University, Baton Rouge. ● ●

Gunderson to Speak

Lee E. Gunderson, pres.-elect, American Bankers Assn., will speak at the Arkansas Bankers Assn. convention May 10-13 in Hot Springs. He is pres., Bank of Osceola, Wis.

The 60 Billion Dollar Board Reports On Economic Development For Arkansas

The members of The National Advisory Board, of Commercial National Bank are Arkansans whose companies had sales & services in 1979 exceeding $60 billion. The board is the only one of its kind in the nation.

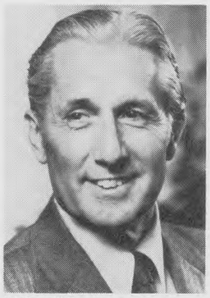
Each year they meet in Little Rock to consider topics of vital importance to their home state and publish a report of their findings. The report this year, the ninth in the series, deals with the critical question of how Arkansas will compete in economic development in the new decade.

To receive your own copy of this informative, provocative report, write William H. Bowen, President, Commercial National Bank, P.O. Box 1331, Little Rock, Arkansas 72203.

THE BANK.
Commercial National Of Little Rock

The Right Rev. John M. Allin
Presiding Bishop
Episcopal Church

E. H. Boullioun
President and
Chief Executive Officer
Boeing Commercial Airplane Co.



W. Carroll Bumpers
Group Vice President/Financial
The Greyhound Corporation

W. Donham Crawford
Chairman and
Chief Executive Officer
Gulf States Utilities Company

James E. Davis
Chairman, Board of Directors
Winn-Dixie Stores, Inc.

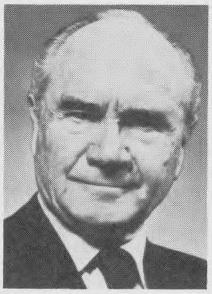
Neil E. Harlan
Chairman of the Board
Foremost-McKesson, Inc.

J. Lynn Helms
Chairman, President and
Chief Executive Officer
Piper Aircraft Corporation

H. L. Hembree
Chairman
Arkansas Best Corporation

Henry H. Henley, Jr.
Chairman of the Board
Cluett, Peabody & Company, Inc.

C. M. Kittrell
Executive Vice President
Phillips Petroleum Company



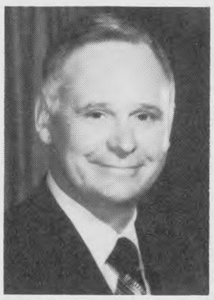
J. S. McDonnell
Chairman
McDonnell-Douglas Corp.

Sidney A. McKnight
President (Retired)
Montgomery Ward & Company

Charles H. Murphy, Jr.
Chairman
Murphy Oil Corporation

Richard L. O'Shields
Chairman and
Chief Executive Officer
Panhandle Eastern Pipe Line

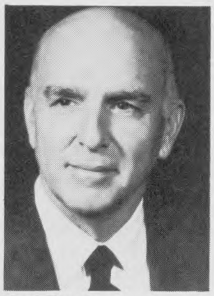
Frank Pace, Jr.
President
International Executive
Service Corps



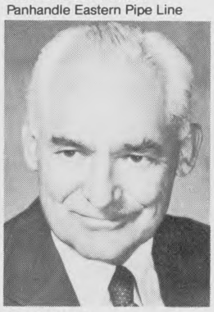
John G. Phillips
Chairman and
Chief Executive Officer
Louisiana Land and Exploration Co.

Fred Pickens
Attorney at Law
Pickens, Boyce, McLarty & Watson

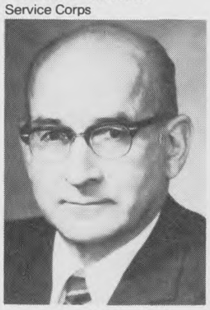
William Seawell
Chairman
Pan American World Airways, Inc.



George Stinson
Chairman and President
National Steel Corporation



Sam M. Walton
Chairman and
Chief Executive Officer
Wal-Mart Stores, Inc.



Frederick D. Watkins, CPCU
Executive Vice President
Connecticut General Insurance
Corporations

Kemmons Wilson
Chairman of the Board
Holiday Inns, Inc.

Robert E. L. Wilson, III
Lee Wilson & Company

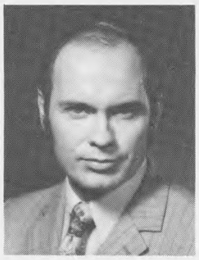
Arlington Hotel 'Dresses Up' For Arkansas BA Convention

ARKANSAS bankers attending this year's Ark. BA annual convention will notice a number of changes that have been made at the venerable Arlington Hotel, convention headquarters in Hot Springs.

Horst Fischer, new general manager of the hotel, has presided over a general renovation of the landmark hostelry that has hosted visitors to Hot Springs since 1925 (the first of three Arlington Hotels was built in 1875).

The change that will be noted first by convention goers is the redecorated lobby, which features a new bar and an abundance of green plants and fresh flowers. The project was under the supervision of Dorothy Draper.

FISCHER



Dining facilities have been enlarged with the opening of the Fountain Room adjacent to the main dining room. Formerly a banquet hall, the Fountain Room has been redecorated and upgraded to the status of a gourmet dining room. A Sunday brunch has been added to the bill of fare in the main dining room.

Restoration includes the Arlington Arcade, located on the lower level. A recreation room has been added featuring pinball machines, a juke box and electronic games. Although designed primarily for children, the room is open to guests of all ages. Also on the Arcade level, the Tack Room has been redecorated and features a new menu.

A number of guest rooms and suites have been redecorated as part of the hotel's overall restoration project. Sixty rooms are equipped with Hot Springs thermal water for mineral baths.

The renovation project also includes the outdoor recreation center and future plans for this area include construction of a gazebo and a shuffleboard court.

The Arlington's convention facilities have long been familiar to Ark. BA members. The Convention Center now seats 1,150 people for meetings and can handle 800 guests for seated banquets. Nineteen meeting rooms are included in the Convention Center portion of the hotel.

Mr. Fischer is the former general manager of the Water Tower Hyatt Hotel in Chicago. A native of Berlin, he received his food and management training in Swiss hotels.

Redecorated lobby of Arlington Hotel features new bar. Additional dining facilities have been added adjacent to lobby and Arcade level below lobby has been renovated.

The original Arlington was a wooden structure, built in 1875. It proved to be inadequate to handle the number of people visiting the popular Hot Springs area. The second Arlington was built of red brick in 1893 and helped to establish the hotel's reputation for gracious service. It burned to the ground in 1923 and was replaced with the current structure two years later on the present site, which is adjacent to the site of the hotel's predecessors.

The Arlington is placed in the same class as the Broadmoor in Colorado Springs, the Grand Hotel on Mackinac Island, Mich., and the Sheraton in French Lick, Ind. There has been increased evidence in a resurgence in the popularity of the grand old resort hotels that has made these hostelries popular and profitable.

Although the official record is sketchy, it's believed that the Arkansas Bankers Association has been meeting at the Arlington since the association's founding in 1891. • •

Landmark Arlington Hotel has been on present site since 1925. First version of hotel was built on adjacent site in 1875.

Hot Springs' Growth Credited To Cooperation From Citizens

Historic Bathhouse Row in Hot Springs is due for renovation when National Park Plan clears Congress.

HOW DOES a southern city surrounded by a national park get through a decade like the '70s?

"Very well," according to Les Green, executive director of the Hot Springs (National Park, Ark.) Chamber of Commerce.

"Hot Springs has made astonishing advancements in the last 10 years in the area of industry, tourism, education, business and travel," Mr. Green stated. "And the single, most important element that contributed to this success is a community of people working together.

"Almost every project or undertaking in Hot Springs has been spurred by the community and its support," Mr. Green added.

The community focused its industrial interests toward Mid-America Park in the past decade. This site, nationally known for its innovative combination, brings together the elements of industry, education, recreation and culture harmoniously. Now the home for the Mid-America Center Museum, Mid-America Amphitheater, Garland County Community College, Quapaw Vo-Tech School and several industries including Wycot Corp., Mid-America Park has room to grow. In fact, representatives of many nationally known companies have been given a tour of the park by Garland County Industrial Development Commissioners and members of the spa's Chamber. Several have indicated, "We'll be back."

Industrial efforts of the '70s weren't limited to Mid-America Park. "Another industry that has been good to and for this community is Reynolds Metals," said Mr. Green. "This national, industrial leader has, with the addition of its new continuous rolling plant, multiplied its support to the community and its economy through new jobs and a larger payroll."

Other industrial additions during the last 10 years include Chem-Fab, Arkansas Alloys, Munro Footwear, Tri-Lakes Manufacturing and Hot Springs' newest industry, Rigid Knives.

"The Chamber through the GCIDC has encouraged industry to locate and expand in Hot Springs," said Mr. Green. "In a community known predominately for tourism, we need a good, strong industrial economic base. Clean industry," Mr. Green interjected. "We don't want anything to destroy our natural beauty and environment."

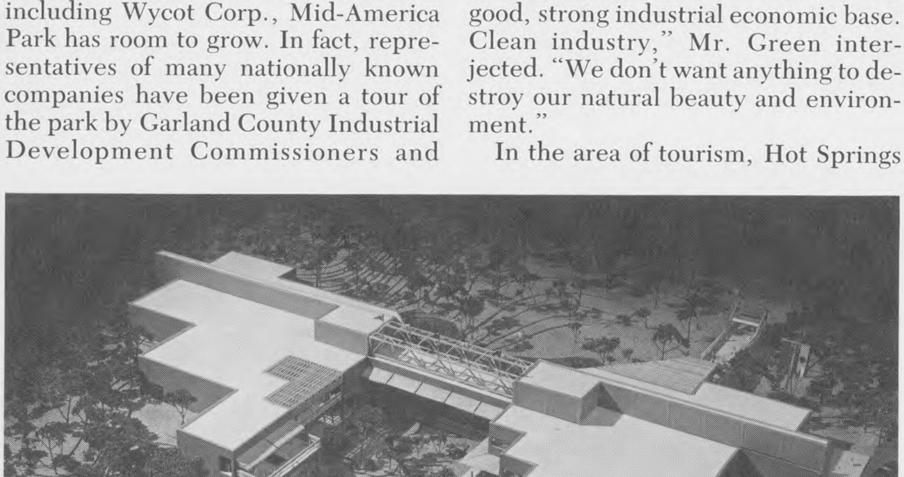
In the area of tourism, Hot Springs came of age in the decade of the '70s. "We have always had our thermal waters and have become world famous because of them," noted Mr. Green. "But members of our community realized that if we were to maintain our viability as a vacation destination, we had to add to our arsenal of tourist attractions."

Such an attitude produced in the 1970s such outstanding tourist attractions as Mid-America Center Museum. This state-owned facility started as a community project aimed at getting a branch of the Smithsonian Institution Museum brought to Hot Springs. Dedicated in April, 1979, by Governor Bill Clinton, this new, prototype museum is full of exhibits that encourage visitors to "please touch."

Another major addition to the attraction scene was Magic Springs Family Fun Park. This multimillion-dollar theme park was conceived in the early '70s and finally came to life as it is today in July, 1978. Featuring a day full of varied family rides, shows and attractions, Magic Springs continues to grow. It will start off the '80s by adding a $1.5-million loop roller coaster, the "Roaring Tornado."

"We also recognized we had to have some kind of family nighttime entertainment," recounted Mr. Green, "so we got together and came up with what is now the Mid-America Amphitheater."

This 1,600-seat-capacity open-air amphitheater has entertained thousands since the summer of 1976



Mid-America Center Museum in Hot Springs is one of attractions in Mid-America Park. Others include amphitheater, community college, technical school and several industries. Site is known for innovative combination of industry, education, recreation and culture.

with such productions as "Hernando DeSoto, Conquistador," UALR Pops Concert, the USAF String Orchestra, "Stop the World. . . ," Nashville on the Road syndicated television program and numerous others. This year, the Amphitheater will feature the musical/comedy production of "Papa Bear/Mama Bear."

"Not only have we been adding to our tourist bill of fare," Mr. Green boasted, "but we've been working for changes in some of the old reliables."

Mr. Green was referring to the National Park Plan, now in Congress, that would allow the renovation of the bathing facilities along historic Bathhouse Row. Coupled with this is the rebuilding of Hot Springs Mountain Tower, demolished in 1971. Long a landmark in Hot Springs, the tower is scheduled for re-dedication in 1982, the 150th anniversary of Hot Springs becoming a federal reservation (now a national park).

Tourism growth in Hot Springs during the past decade couldn't be discussed without mentioning Oaklawn Park. This thoroughbred horse racing track, established in 1905, has grown in the '70s to bring over a million race fans to the spa city annually.

Growth in Oaklawn Park in attendance, income and days of racing (now 56 days, an addition of six days for 1980), has prompted a growth in entertainment facilities. The Music Hall, the Palace Theater and expansion at the Vapors and Derby Dinner Theater are direct signs of this growth.

Educationally, the people of Hot Springs have worked together for additional growth for the 1970s.

"The people of Hot Springs and Garland County were proud of their community college and worked to build a facility that would showcase it and encourage students to not only enroll but take pride in their campus," reported Mr. Green. In 1977, Garland County Community College moved to its present, modern location in Mid-America Park where it provides educational opportunities for area students normallly unable to afford a higher education.

Located next door to the college and also developed during the past decade, Quapaw Vo-Tech School offers students training in marketable skills such as masonry, electronics, nursing and machine repair.

Growing out of the Chamber's Downtown Revitalization Committee, the Hot Springs Development Foundation was formed to help with the growth, redevelopment and revitalization of not only downtown Hot Springs but areas throughout the community.

"This foundation and its project got off to a great start," Mr. Green recounted. "A man who has meant a lot to this community donated the majority of a downtown city block for redevelopment." Basic plans have already been drawn up for Hill Wheatley Plaza, the name of the project that bears its donor's name.

Spencer's Corner, one block from the Hill Wheatley Plaza area, was developed and dedicated in the past decade. This shopping/office complex is a credit to the community and a delight to the thousands who have already visited its numerous shops and restaurants while marveling at what has grown out of two former "eye-sores."

Hot Springs saw growth in retail establishments and financial institutions during the 1970s also.

Magic Mart and K-Mart now have constructed and opened a second spa location while Wal-Mart has expanded its location.

Arkansas Bank, First National and Grand National have all constructed new main bank edifices.

"Anyone will agree that no matter how great a city is, if you can't get in or out, your internal efforts are wasted," said Mr. Green. "This is why transportation has taken on such a key role in our community."

Assisted by the Chamber's Transportation Committee, highway expansion became a reality in the 1970s. The major breakthrough was the partial construction and the planned completion of the four-laning of U. S. Highway 270 East connecting Hot Springs to Interstate 30.

"We were pleased with the growth in highway development during the past 10 years, but for Hot Springs to continue its established growth, the timetable has to be shortened to meet all our land transportation needs," said Mr. Green.

"When the Airline Deregulation Bill was passed, many marked the doom of air transportation for the Hot Springs community," cited Mr. Green. "It didn't look too good when Texas International and Frontier pulled service out of Hot Springs. But foresightedness, hard work and a super group of executives with Rio Airways out of Killeen, Tex., saved us from having a 'ghost-port,'" Mr. Green declared.

Rio Airways now serves Hot Springs with daily, non-stop service to Memphis and Dallas/Fort Worth. In fact, Rio has more flights daily than its two predecessors did collectively.

"The past 10 years couldn't be recounted without mentioning the festi-

(Continued on page 130)

The Senior Class

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.

MEMPHIS BANK & TRUST

MEMBER F.D.I.C.

Accessible. Responsive.

Sitting left to right: Renee Rissman, Leonard Magruder, Richard Young.
Standing left to right: Brad Sledge, Ken Vick, Kathryn Eriksen.

Frost National Bank

Member: Cullen/Frost Bankers.

P.O. Box 1600 • 100 West Houston St.
San Antonio, Texas 78296 • Member FDIC

Correspondent Banking Department
(512) 220-4114

Varied Program Awaits Delegates To Texas Bankers' Convention

Houston's Galleria Plaza Will Host 96th Meeting

BANKING, political comment, economics and ice skating will make up the program of the 96th annual Texas Bankers Association convention April 27-29 at the Galleria Plaza in Houston.

Main activities on April 27 will be registration and exhibits from 9:00 a.m. to 5:30 p.m.; TBA committee meetings from 9:30 to 11:30 a.m. and the reception and ice show beginning at 6 p.m.

Registration and exhibits will open at 8:30 a.m. on Monday and Tuesday, April 28 and 29. The first business session will begin at 9:15 a.m. on Monday, with TBA President R. M. Duffey Jr., chairman, Pan American Bank, Brownsville, presiding.

Following the presentation of past TBA presidents, C. C. Hope Jr., ABA president and vice chairman, First Union National, Charlotte, N. C., will speak, followed by Joseph J. Sisco, former under secretary of state for political affairs, United Nations representative and president, American University, Washington, D. C.

Buses will leave the Galleria Plaza at 10:30 a.m. for a luncheon and tours for women.

The national and state bank divisions will meet from 11:15 a.m. to noon. Speaker at the national bank meeting will be Charles Lord, senior adviser, Office of the Comptroller of the Currency, Washington, D. C. Reynolds Young, ABA executive director, will speak at the state division meeting.

A reception and luncheon will begin at noon on Monday, followed by concurrent workshops from 2 to 5 p.m.

Evening events will begin with a reception at 6 p.m., followed by dinner at 6:45 p.m., entertainment at 8:30 p.m. and dancing and refreshments at 9:15 p.m. The Buddy Brock Combo will play dinner music, Lana Cantrell will provide the entertainment and the Buddy Brock Band will play in the Grand Ballroom and the River Road Boys Country and Western group will perform in the Plaza Ballroom.

Tuesday's events will include a meeting for ABA members at 9 a.m., followed by the final TBA business session at 9:30. The program agenda will include a TBA treasurer's report by Glyn Gilliam, president, Graham National; TBA President R. M. Duffey's talk and an address by Louis Rukeyser, host of TV's "Wall Street Week."

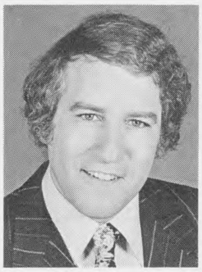
The convention will close with a reception and luncheon beginning at noon.

The program for women will include a tour and luncheon at the Houstonian, followed by an address by Irving R. Levine, NBC economic correspondent. Those wishing to continue with the program will tour the home and gardens of Ima Hogg at Bayou Bend before returning to the Galleria Plaza. • •

TBA Convention Speakers

HOPE

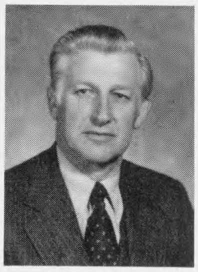
SISCO



RUKEYSER

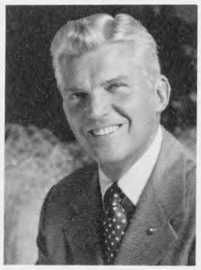
Among speakers participating at 96th annual Tex.BA convention will be C. C. Hope Jr., ABA pres., and v-ch., First Union Nat'l, Charlotte, N. C.; Joseph J. Sisco, former under sec. of state for political affairs, representative to U. N. and pres., American University, Washington, D. C.; and Louis Rukeyser, host of TV's "Wall Street Week." First two speakers will appear at first general business session. Mr. Rukeyser will appear at concluding session.

Tex.BA Officers, 1979-80



GILLIAM

DUFFEY



YOUNG

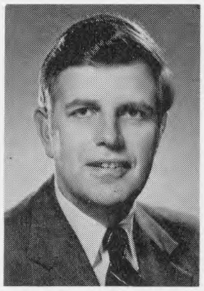
Leading the Texas Bankers Association during the 1979-80 term are R. M. Duffey Jr., president, Pan American Bank, Brownsville — president; Sam D. Young Jr., president, El Paso National — vice president; and Glyn Gilliam, president, Graham National — treasurer.

Mr. Duffey entered banking in 1971 as executive vice president at his present bank, Pan American, Brownsville. Since January, 1978, he has served as chairman/president/CEO of that bank.

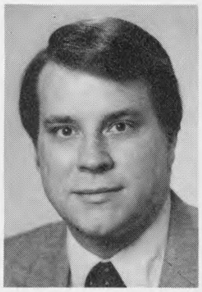
Mr. Young has been in banking since 1953. At that time, he was with First State, El Paso. In 1955 he joined the Comptroller's office as a bank examiner for the 11th Federal Reserve District. Two years later he joined his present bank, El Paso National, as vice president/director. He was named executive vice president in 1962, president in 1964 and CEO in 1975. He also serves as president/CEO, Trans Texas Bancorp., a post he has held since 1971.

Mr. Gilliam has been in banking since 1957, when he joined Marlin National. In 1964 he joined First State, Ranger, as president and in 1972 he joined his present bank, Graham National, as president/CEO, titles he holds at present. He also serves as chairman, First National, Jacksboro.

George A. Rieder has joined Republic of Texas Corp. and Republic National, Dallas, as senior vice president/human resources. He formerly was senior vice president, Indiana National Bank, and vice president, Indiana National Corp., both in Indianapolis. There, he headed personnel, marketing and corporate development. Deane E. Planeaux, former vice president, Bank Marketing Association, Chicago, has



RIEDER

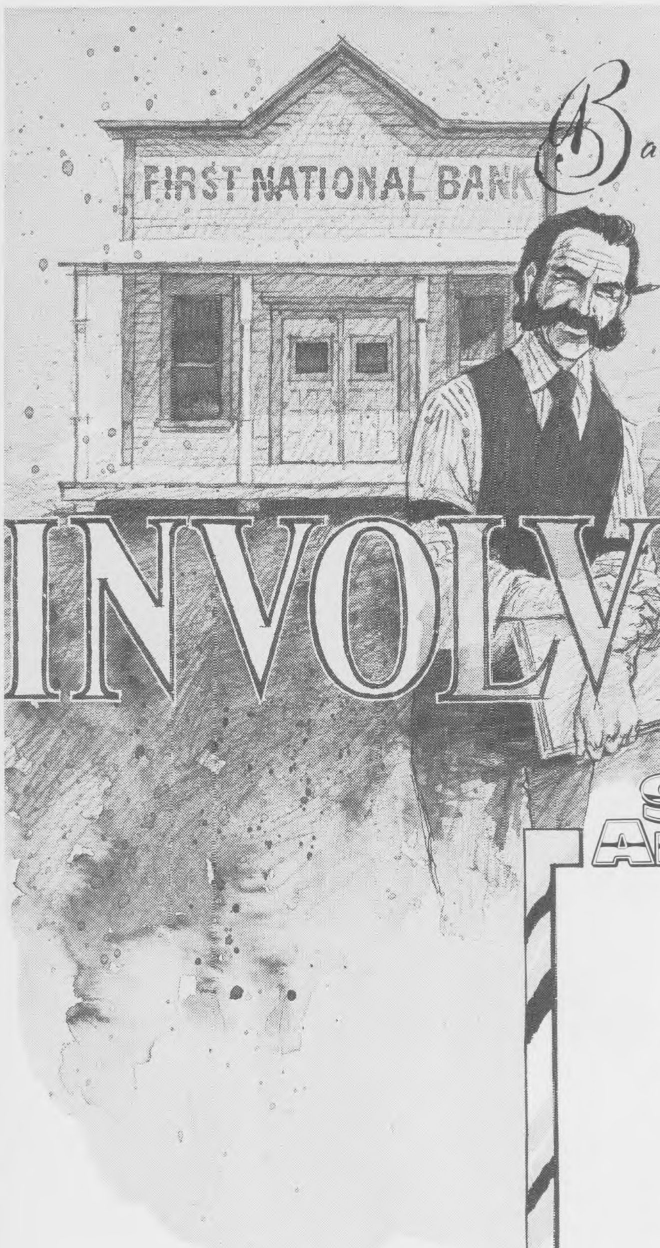


PLANEAUX

been named vice president/marketing manager, Republic National. Thomas P. Gluckman is a new vice president of Republic of Texas Corp. At Republic National, E. Rush Fielden Jr., Catherine S. Blackwood and Dennis M. O'Hara were named vice presidents/trust officers; Charles R. Burk was made assistant vice president; Randal R. Hendrix, Jacob M. Ray, Creigh E. Jennings, Richard Carvalho, D. Wayne Hill, Walter S. Guerney, R. Larry Whitaker, Francine P. Morrison and William E. Olsen were elected assistant vice presidents, and M. Susan Hickey was promoted to trust officer. Mr. Olsen also is a trust officer.

J. Douglas Hartman has been elected vice president/commercial lending, Citizens National, San Antonio. He has been in banking in San Antonio and Austin 22 years. Also at Citizens National, Keith J. Daniels was promoted to assistant vice president.

Arthur M. Gonzales, who was president/CEO, First City National, El Paso, has been named chairman/CEO. Terry M. O'Donnell moved up from executive vice president to president/chief administrative officer. Lawrence A. Hornsten was promoted from senior vice president to executive vice president/asset management group, and Jim M. McVay was advanced from senior vice president to executive vice president/operations group. R. S. Murray Jr., who had been chairman since 1967, remains on the board as chairman of the executive committee.



Back in 1890, when cattle outnumbered people 500 to one in the Texas Panhandle, a bank was built to serve the needs of Amarillo, its people and industry.

It's a tradition with us...

INVOLVEMENT

90th Anniversary

The town has changed in 90 years. A booming city now stands where longhorn once roamed. But our basic involvement with the area has not diminished since the turn of the century.

Over the years, we've continued to be involved, helping the city, its businesses, and its people to grow.

But that involvement has not stopped at our doorstep. It has extended beyond to hundreds of other banks who, through their association with the First, have prospered to meet the needs of their communities and depositors.

Take advantage of our position of leadership in the High Plains. Get to know our fast-action banking correspondent **Larry Reed.** He's part of our tradition of involvement.

The FIRST of Amarillo

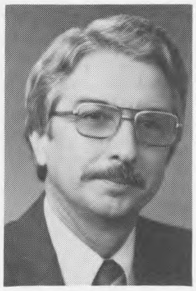
P.O. Box 1331 Amarillo, Texas 79180 (806) 378-1728

News

About Banks and Bankers

Alabama

Clinton C. Berry Jr. has been promoted from vice president/trust officer to senior vice president/trust officer, First Alabama Bank, Montgomery.



AIMÉ

Louis Aimé has been named manager, Atlanta Branch, LeFebure, Cedar Rapids, Ia. Mr. Aimé will supervise sales and service for territory that includes Georgia and most of Alabama. He was a sales engineer in Le Febure's New Orleans Branch.

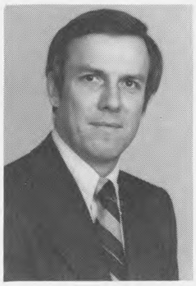
Diebold, Inc., Canton, O., has opened a service branch office in Huntsville. Once a remote facility, the new office offers a full-time management staff, factory-trained technicians and a comprehensive inventory of replacement parts and components. The office serves Alabama's northernmost counties.

Arkansas

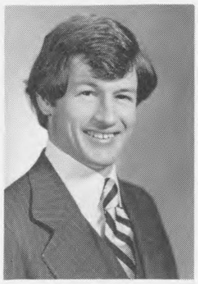
Dale J. Wintroath, vice president, Commercial National, Little Rock, has been named manager of the trust department. He joined the bank in 1973 after having served as a special agent for the FBI.

First National, Little Rock, has promoted Mike Taylor and Randy Taylor, both of the correspondent banking division, and Harold Cross, automated services, to vice presidents.

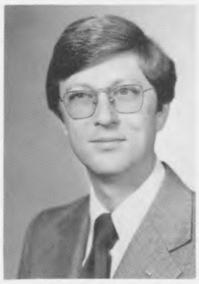
Pulaski Bank, Little Rock, has elected David Banks to its board. He is president, Beverly Enterprises, Pasadena, Calif.



WINTROATH



R. TAYLOR

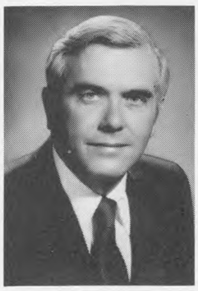


M. TAYLOR

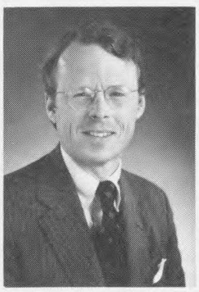
The Fed has approved the application of Arkansas State Bankcorp., Clarksville, to become a bank HC through acquisition of Arkansas State, Clarksville.

Illinois

B. J. King, assistant vice president, Herrin Security Bank, has been elected president of the Illinois Bankers Association's consumer credit division. Other new officers are: first vice president, Jerome R. Thomas, second vice president, American National, Chicago; and second vice president, Don Middleton, vice president, Old National, Centralia. They will take office July 1.



H. B. SMITH JR.



STEBBINS

Harold Byron Smith Jr., president/director, Illinois Tool Works, Inc., was elected to the board of Chicago's Northern Trust Corp. March 18. Under the HC's retirement policy for directors, Douglas R. Fuller and Harold Byron Smith did not stand for reelection. However, Mr. Smith has become honorary director, and Mr. Fuller joined the directors' advisory council of Northern Trust Co., subsidiary of the HC. Both men had served on the corporation's board since its inception in 1971. Mr. Fuller also was HC vice chairman until his retirement from that post in 1975.

Northern Trust, Chicago, has promoted the following to vice presidents in the trust department: Ronald D. Harkness, probate division, and Carolyn L. Sachs, personal financial planning. Named second vice presidents were: Frank H. Creamer (also petroleum engineer), David K. Barkley, Daniel A. Ericson, John T. Gatesy, Linda H. Higinbotham and Harold L. Cleal.

Richard B. Stebbins has joined Chicago's National Boulevard Bank as senior vice president and head of the commercial department, divisions A, B and C, correspondent bank, real estate, executive loan, credit and consumer credit department. He formerly was with First National, Chicago, where he was vice president/manager, energy industries group. In other action, National Boulevard promoted Timothy G. Towle from assistant vice president to vice president.

Charles P. A. Frankenthal, marketing director, American National, Rockford, has been promoted to vice president. Shirley L. Faerber, formerly assistant trust officer, was made trust officer.

The Fed has approved the application of Troy Bancgroup & Co., St. Louis, to become a bank HC through acquisition

Our loan participations can keep your liquidity fluid.

Maintaining liquidity in a time of high credit demand can be a severe problem. It can destroy your flexibility. Even worse, it can force you to turn away long-time customers at a time when they need you most.

The answer could be loan participations with The Northern Trust. We're actively looking for attractive participations in many areas, including installment, agricultural, and commercial loans.

Why The Northern Trust? Because we work with you as a true partner. Our calling officers are experienced professionals. They understand how important participations can be. They have the expertise and the authority to move fast to ease your liquidity problems.

Most important, loan participations with The Northern Trust bring with them our tradition of integrity. We work to stay with our correspondents in good times and bad. We strive to build up a strong relationship which will continue for years. And we respect the relationships that you have so carefully built up with your own customers.

For more information, contact Curtis E. Skinner, Senior Vice President, The Northern Trust, 50 South La Salle St., Chicago, Illinois 60675. Telephone (312) 630-6000.

The more you want your bank to do, the more you need The Northern.

The Northern Trust

of Troy Security Bank. The Fed also approved the application of Vienna Bancorp. to become a bank HC through acquisition of Drovers State, Vienna.

Central National, Sterling, has promoted Robert D. Eversman from vice president/investment officer to vice president/controller and Onnadine Hosler from assistant cashier to cashier.

Indiana

First Bank, South Bend, has promoted Charles A. Talcott from assistant vice president to vice president/manager, mortgage brokerage and servicing operations; Robert B. Rountree from trust officer to assistant vice president/trust officer and William H. Brace from trust administrator to trust officer.

Don E. Wilson has moved up from vice president/trust officer to senior vice president/trust officer, Kentland Bank, which he joined 10 years ago. He heads the trust department.

Peoples Trust, Fort Wayne, has promoted Robert Mohr and Kent Ober to vice presidents and named Thomas Mensch assistant vice president. Mr. Mohr is manager, administrative services; Mr. Ober, manager, systems and programming. Mr. Mensch recently joined the bank as a commercial loan officer, going from American Fletcher National, Indianapolis.

St. Joseph Bank, South Bend, has promoted William H. Runyan, manager, Scottsdale Office, to vice president; Stephanie Maher, manager, University Park Office, and M. Bruce Miller, manager, River Park Office, to assistant vice presidents and Richard A. Kelner, investment manager, investment department, to assistant cashier.

Kansas

Southgate Bank, Prairie Village, has promoted Robert E. Atteberry from senior vice president/trust officer to executive vice president/trust officer; M. Lee Stevenson from senior vice president/cashier to executive vice president/cashier; Thomas E. Donaldson from assistant vice president to vice president and Mark A. Stennes from administration officer to assistant vice president. C. Michael Long, a banker eight years, has joined the bank as vice president.

Lynn L. Anderson, formerly executive vice president, First National, Lawrence, has moved up to president. He succeeds Warren Rhodes, who remains chairman. Also promoted were: from vice president to senior vice president, William Lienhard; from assistant vice president to vice president, Pat Alexander; from trust officer to assistant vice president/trust officer, John Maurer; from loan officer to assistant vice president, Vickie Randel, and from marketing officer to assistant vice president, Bonnie Wells.

Robert F. Higney Jr., director of marketing, Home State, Kansas City, has been promoted from assistant vice president to vice president, and Mike Carpenter, Debbie Freeman and Betty Shelton were advanced to assistant vice presidents. The bank also elected two new directors, Herbert R. Jacobson, executive vice president, A. D. Jacobson Co., Kansas City, and Robert S. Mueller, a consultant and CPA.

Ranchmart Bank, Overland Park, has elected Steve McCammon senior vice president, Tom Wallingford vice president/trust officer and Mike Samisch vice president/controller. Mr. McCammon formerly was senior vice president, First National, Hutchinson; Mr. Wallingford, vice president/trust officer, United Missouri, Kansas City; and Mr. Samisch, vice president/controller, Citizens Bank, University City, Mo. Ranchmart Bank also promoted James H. Budke from assistant vice president to vice president/auditor; Sue Weaver from commercial loan officer to assistant vice president; and Rick Webb from installment loan officer to assistant vice president.

Dan Gough has joined Union State, Clay Center, as agricultural loan officer. He had been vice president, Federal Land Bank Association, Manhattan.

First National, Hutchinson, has elected Gene Saxton to its board. He is executive vice president, Doskocil Cos., Inc., and is associated with Winchester Packing Co. and Saxton, Inc. The bank promoted Dorothy Chadwick to vice president/customer service.

Overland Park State has announced the following promotions: from assistant vice president to vice president, W. J. Woywood; from assistant cashier to assistant vice president, Trina Landell; to assistant vice president, Douglas D. Kelley and to assistant cashier, Joy Wiskur.

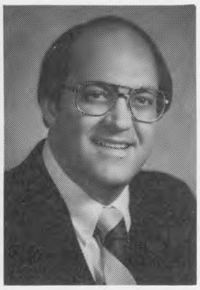
Kentucky

Second National, Ashland, has changed its name to First Bank & Trust Co.

First Security National, Lexington, has promoted Roger D. Reynolds from controller to vice president/controller; Perry S. Alexander II, Greg Kessinger and Lee H. Valiquette from assistant vice presidents to vice presidents; Duane E. Arbegust, John V. Boardman Jr., Linda L. Critchfield, Van Douglass, Jenifer V. Duncan, Ellie Frakes, Holbert E. Hodges Jr. and Patricia Thompson from assistant cashiers to assistant vice presidents; Mike Haney, Jim Rickard, Linda L. Berry, Charlotte Green and Eugenia P. Street from operations officers to assistant cashiers; John F. Lenney, Dwight Roberts, Barbara B. Rudd, Barry C. Thaxton and Margaret Jordan to assistant cashiers and Alvin H. Green and William W. Hall Jr. to assistant trust officers.

Louisiana

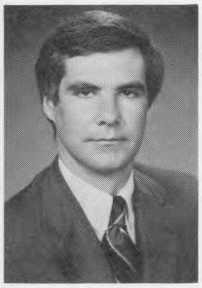
Raymond E. Kron Jr. has been elected vice president and head of the correspondent bank department,



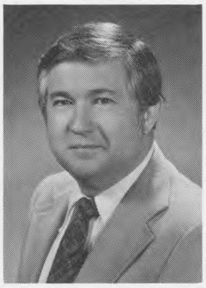
KRON

Fidelity National, Baton Rouge. He has been president, St. James Bank, Lutcher; First National, Eunice, and First State, Baker.

Mississippi



NEVILLE

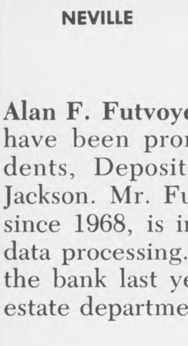


FUTVOYE

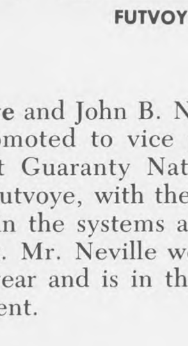
Alan F. Futvoye and John B. Neville have been promoted to vice presidents, Deposit Guaranty National, Jackson. Mr. Futvoye, with the bank since 1968, is in the systems area of data processing. Mr. Neville went to the bank last year and is in the real estate department.

Missouri

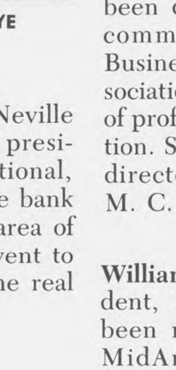
Stephan P. Blackburn has been promoted to senior vice president/assistant manager, correspondent bank division, United Missouri, Kansas City. He was vice president and joined the bank in 1973. In other action, the bank promoted the following: Michael T. Fleming, from senior vice president to executive vice president in charge of business development; Michael R. Hart, from vice president to senior vice president, business development; David D. Miller, from vice president/trust counsel to senior vice president/trust counsel, and Barbara A. Carlson, from vice president to senior vice president, investment division.



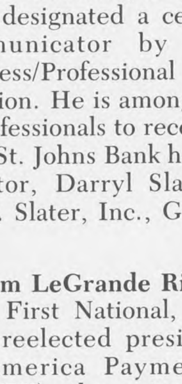
FLEMING



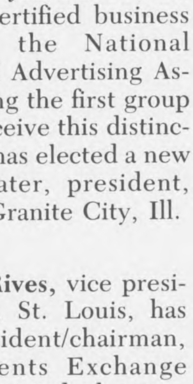
BLACKBURN



HART



CARLSON



MILLER

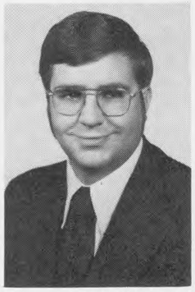
Bob Azelton Jr. has joined St. Joseph's First Stock Yards Bank as agricultural representative. For the past 3½ years, he has been farm service director, KFEQ Radio, St. Joseph. He also has been director, St. Joseph Livestock Market Foundation at the St. Joseph Livestock Market.

First National, St. Charles, has elected two new directors — Tom Boschert, executive vice president, and Mae Silverberg, vice president.

Fletcher E. Wells, senior vice president/cashier, St. Johns Bank, has been designated a certified business communicator by the National Business/Professional Advertising Association. He is among the first group of professionals to receive this distinction. St. Johns Bank has elected a new director, Darryl Slater, president, M. C. Slater, Inc., Granite City, Ill.

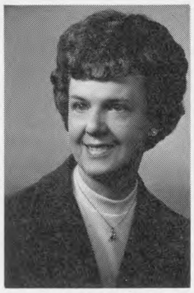
William LeGrande Rives, vice president, First National, St. Louis, has been reelected president/chairman, MidAmerica Payments Exchange (MAPEX), the automated clearinghouse association for the Eighth Federal Reserve District. Jerome S. Goldstein, vice president, Mercantile Trust, St. Louis, was elected MAPEX vice president. Reelected to their posts were Lawrence D. Abeln, secretary/treasurer, and Henry G. Stahl, assistant secretary/executive director. Mr. Abeln is senior vice president/comptroller, St. Louis County Bank, Clayton

WELLS



AZELTON

BOSCHERT



SILVERBERG

First National, St. Louis, has promoted Donald H. Nonnenkamp, Donald W. Williams and Joseph C. White to vice presidents and William H. Broderick III and Harold E. Mayse to assistant vice presidents.

Joseph W. Scallorns, senior loan officer at Columbia's First National since joining the bank in January, 1979, has been elected executive vice president/chief operating officer and a director. Larry R. Niedergerke, executive vice president/trust officer has been named vice chairman. Anthony S. Marshall, senior vice president, has been elected senior administration officer. James D. Stock, cashier, has been made vice president/senior customer and bank services officer.

Gerald Lewinski has joined St. Louis County Bank, Clayton, as assistant vice president/assistant personnel director. He formerly was assistant vice president/personnel director, First National, Richmond, Ind., and assistant personnel director, FBT Bancorp, South Bend, Ind.

Thomas E. Bishop Jr. has been made vice president/loan administration department, Commerce Bancshares, Kansas City. He had been an assistant vice president in charge of commercial lending, correspondent division, Commerce Bank, Kansas City.

William J. Groneck, J. Dennis Sherfy and John Q. Vye have been named assistant vice presidents, Mercantile Bancorp., St. Louis. All three recently joined the HC. Mr. Groneck was vice president/treasurer of another St. Louis-area bank. Mr. Sherfy had been with another bank HC as vice president/controller. Mr. Vye was market services manager/senior product manager, Nationwide Financial Services Corp. At Mercantile Trust, St. Louis, the HC's principal subsidiary, Everett J. Kalkbrenner was elected assistant vice president and John W. North assistant trust officer.

MINEAR PETERS LARAMIE SCHOLL

Florissant Bank has promoted Roy Laramie from vice president/cashier to senior vice president; Richard G. Minear and Carl W. Peters from assistant vice presidents to vice presidents and Emma R. Scholl from senior vice president to senior vice president/secretary to the board. Mr. Laramie also is manager, commercial lending, and Mr. Peters also was made cashier. In other action, the bank promoted Delores L. Biebel to assistant vice president. She is supervisor/new accounts and investment officer.

Quinton Keller, president/CEO, Lemay Bank, has been elected president, Bank Management Association of St. Louis. Other officers are: first vice president, Alfred Naunheim, chairman/president, CharterBank, Jennings; second vice president, Gerald Schoor, president, Landmark Bank, Creve Coeur; treasurer, Robert Wolford, executive vice president, St. Louis County Bank, Clayton, and secretary, Robert Trautman, executive vice president, Southern Commercial Bank, St. Louis.

James R. Trigg, manager, cash management department, Commerce-Manchester Bank, St. Louis, has been promoted from vice president to senior vice president.

Glenn R. Clemson has been promoted to vice president, CharterBank, Jennings, where he formerly was assistant vice president. Ruth A. Bland has been advanced from facility operations officer to assistant vice president.

Robert H. Stratton Jr., who was executive vice president, Stadium Bank, Kansas City, has been elected president, replacing Jerry H. Green. Mr. Green retains the title of chairman. Mr. Green also was elected chairman, Citizens Bank, Ava. He is vice chairman, Security Bank, Branson, and the same group of Kansas City investors who owns Security Bank has bought 94% of the stock of the bank in Ava. In other action at Stadium Bank, Stanley E. Smith moved up from senior vice president to executive vice president; Lisa Dawson advanced from assistant vice president to vice president; Laneita Elliott was promoted to assistant vice president/executive secretary and Marietta Wimmer assistant vice president/assistant cashier. New appointments are: vice president/cashier, Elden A. Kimball; assistant vice president, Sue Hofmann, and assistant cashier, Inell Hunter.

Melvin Harter, with Joplin's First National since 1974, has been elected assistant cashier.

New Mexico

Ernest Harrison, an FBI agent 30 years, has joined Western Bank, Albuquerque, as a vice president. He also is public service director, director of security and personnel director.

Robert J. Dyer has joined Security Bank, Ruidoso, as president, going from Security National, Roswell, where he was vice president/cashier. Joseph Skeen, a ranch operator at Picacho since 1954, is the Ruidoso bank's new chairman. John Malone, who was president, continues to be associated with the bank's parent HC, Bank Securities, Inc., Albuquerque. Ralph F. Petty Sr., who was chairman, is active in his Ruidoso business interests.

Oklahoma

First National, Oklahoma City, has elected Clint Burr and Louis E. Wilken vice presidents. Mr. Burr joined the regional lending department in January with nine years' banking experience. Mr. Wilken, who has 16 years' experience in personal lending, went to the bank in February and is responsible for the Arcade Bank. In other action, First National promoted Johnson Hightower from banking officer to assistant vice president; Debra Cooper from tax supervisor to trust officer and Barbara Huffman to trust officer.

Three new officers have been added to the staff of Bank of Oklahoma, Tulsa. Gary Reed and Mike Steinmetz are vice presidents, and Mike Nemec is a trust officer. Mr. Reed was a vice president, First Boston Corp., Atlanta; Mr. Steinmetz assistant vice president, Commerce Bank, Kansas City, and Mr. Nemec legal counsel, Oklahoma State University Foundation.

An investment group headed by George Nowotny and Larry J. Lanie has acquired controlling interest in Guaranty Bancorp., Tulsa, HC for the $64-million Guaranty National, Tulsa. Messrs. Nowotny and Lanie are principals in Tulsa Bancshares, Inc., and acquired ownership from Guaranty's founders, L. K. Smith, John F. Y. Stambaugh and Irvin Frank. Mr. Smith is chairman, Security Bank and First Bank, Catoosa. Mr. Lanie remains Guaranty National's president/CEO, while Mr. Nowotny is chairman.

Tennessee

Third National, Nashville, has announced the promotions from vice presidents to senior vice presidents of James A. Ives and Ronald D. Robinson and the retirement of Executive Vice President John O. Ellis, who headed the trust division. Mr. Ives is director of data processing. Mr. Robinson heads bank operations. Mr. Ellis joined Third National's trust department in 1946. For a time, he plans to serve as an intermediary between the bank's trust staff and clients.

ELLIS IVES ROBINSON

Charles W. (Jack) Holden has moved up from executive vice president to president, Murfreesboro Bank, which he joined in 1954. He became a director in 1972 and executive vice presi-


"JOIN YOUR FRIENDS
AT THE FIRST
FOR THIS YEAR'S
OBA CONVENTION"
GO
FIRST
THE FIRST
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

dent in 1973. He continues as the bank's chief operating officer. Jack O. Weatherford is chairman/CEO. Murfreesboro bank is observing its 75th anniversary this year.

J. Michael Woody has been elected president/CEO, First Tennessee Bank, Murfreesboro. He was executive vice president, Commerce Union of Rutherford County, Murfreesboro.

Texas

James R. Perry, president, First National, Fort Worth, also was named CEO. Also at the bank, Paul Mason, chairman (as well as president, First United Bancorp.) has received the 1979 Golden Deeds Award from the Fort Worth Exchange Club for having "admirably fulfilled the award's major requirement, which is interest in the progress and development of Fort Worth."

Harry A. Shuford retired March 1 as chairman of the executive committee and a director of First National, Dallas. Before joining the bank in 1966, Mr. Shuford was president of the St. Louis Fed. Before that, he had held various posts at the Dallas Fed and was a partner in a law firm.

M. D. Matthews and W. Wayne McDonald have been elected to the board of Bank of the Southwest, Houston. Mr. Matthews is vice chairman/chairman of the executive committee, Houston Natural Gas Corp. Mr. McDonald is executive vice president, Temple-EasTex, Inc., and chairman of the firm's mortgage banking subsidiary, Lumbermen's Investment Corp.

Peter B. Bartholow has been promoted from vice president/treasurer, Mercantile Texas Corp., Dallas, to senior vice president/finance. Also at the HC, W. Mack Goforth was promoted from controller to vice president/controller. At the HC's principal subsidiary, Mercantile National, Dallas, William O. Gilbert, correspondent banking, and Paul B. Reynolds Jr., real estate, were named vice presidents, and James Redman was elected a director. He is chairman/president, Redman Industries, Inc.

Frost National, San Antonio, has elected Jane Flato Smith and Curtis Vaughan Jr. to its board. Mrs. Smith is a third-generation Frost Bank director, her grandfather, L. A. Schreiner, and her father, Edward B. Carruth, having served in that capacity. She is president, Sheraton-Marina Inn and Flato Bros., Inc., Corpus Christi. Mr. Vaughan is chairman/CEO, Vaughan & Sons, Inc., San Antonio.

Hot Springs

(Continued from page 118)

vals and conventions from which Hot Springs reaps innumerable benefits," Mr. Green stated.

"It was the need to impact certain times of the year with more tourist traffic that brought about the inception of the Annual Arkansas Fun Festival during the early part of June and the Annual Arkansas Oktoberfest," said Mr. Green. "And these events have done just what they were intended to do, plus provide a 'heckuvalotta' fun for thousands of visitors to Hot Springs."

Hot Springs is also the site for the Annual Miss Arkansas Pageant and the Fall Arts and Crafts Fair.

Convention business has accelerated during the past decade. More than 103,000 delegates attended over 600 meetings, conventions and seminars in 1979. This brought in an estimated 20 million "new dollars."

"You know it would be pretty easy for someone hearing the story of our growth over the past 10 years to think of it as only some kind of PR-hype," said Mr. Green. "But the fact of the matter is our growth has been deliberate and tangible. And it stems completely from the fact that our area is blessed with a community that is not too proud to set goals, roll up its sleeves and work to meet those goals. A community working together. It sounds too good to be true, but in Hot Springs our growth during the '70s is proof positive," Mr. Green concluded.

Index to Advertisers

Index to Supplement

(For Advertising Appearing Between Pages 44 and 93)