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Study Reveals Attitudes on Charge Cards

Area banks will be particularly interested in the public's attitude toward bank charge cards. Who used credit cards, how often and for what kind of purchases?

These were some of the basic questions to be answered before Foote, Cone & Belding, New York, planned its strategy for consumer media advertising of the Master Charge card for Eastern States Bankcard Association Inc.

The agency conducted nearly 1,000 interviews, divided about equally between men and women, in households with \$5,000 or more annual incomes. The survey concentrated heavily on the metropolitan New York area, including northern New Jersey and Connecticut.

Respondents to the survey fell into six distinct groups on their attitudes toward credit in general. 61% were favorably inclined toward the use of credit and in particular they favored one all purpose charge card that could apply to retail purchases as well as travel and entertainment expenses.

46% of the people surveyed were found to account for just over 60% of monthly charge card uses and retail repayments.

Demographically, the target group is centered around 35 years

of age, two-thirds have incomes of over \$10,000 a year, 57% attended college, and most live in suburban homes rather than city apartments.

The Foote, Cone & Belding researchers found that this immediate target group owns and uses more credit cards of all kinds, but would prefer to carry fewer cards. They indicated a desire to own a Master Charge type of card for its broad uses in travel and entertainment, in stores locally, nationally and internationally, and because such a bank charge card carries no membership fee or monthly dues.

All the people surveyed were asked to define the most important features of an all-purpose charge card. Four of the ten highest rated characteristics emerged as equally important: the card's use in emergency situations, as a credit reference, at department and discount stores, and finally, the lack of service charge if payment on the

account is made within 25 days.

Despite glowing predictions about the growth of the charge card business, banks still face numerous difficulties in establishing the service as successful and profitable.

This is the comment made recently by Edward E. Bontems, president of the Eastern States Bankcard Association. It further substantiates the thoughts of area bankers presented in the March, 1969, magazine issue of the *Northwestern Banker*.

Apart from operational hurdles such as setting up a workable sales authorization system over a wide area, the ESBA head detailed legal obstacles that banks may face. Mr. Bontems cited some of the restrictions imposed on bank charge cards by state usury statutes, which vary from state to state and may particularly affect the ability of an association, such as ESBA, which covers several states.

Mr. Bontems also pointed out the difficulties imposed on bank charge card operations by the Truth-in-Lending Laws. "These laws," he said, "now require banks to publicly disclose all credit terms involved in their charge card operations if any one of the terms is to be publicized." He added that it now appears possible that some Congressional (Continued on Page 6)



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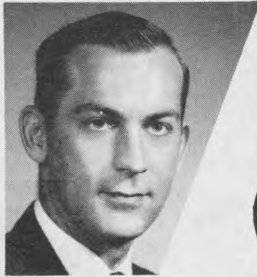
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Valentine has been named a vice president in charge of the newly created mortgage loan department at the Guardian State Bank here.



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SIoux CITY, IOWA

CAMBRIDGE: Jim Davis, cashier at the First National Bank here for the past five years, has moved to Lincoln where he will be employed as a bank examiner.

TEKAMAH: Roger Loerch, cashier of the First National Bank here, has accepted a position with the Otoe County National Bank of Nebraska City, Nebr. Mr. Loerch has been with the First National for the past 15 years. He will be responsible for commercial and agricultural loans, as well as advising on bank operations at the Nebraska City bank.

MINNESOTA NEWS

BLUE EARTH: Dean A. Willford, assistant vice president and cashier at the First National Bank here, has resigned his post, effective June 30, to accept a position with the National Bank of Washington at Tacoma, Wash.

EASTON: The State Bank of Easton recently celebrated 35 years of banking. T. W. Loonan, executive vice president, has been active in banking for 59 years and has been serving the Easton bank for 35 years. Miss Melva Replogle also has been with the bank for the past 35 years.

LAKEVILLE: Lee Holden has joined the First National Bank of Lakeville as administrative assistant in the loan department. He was formerly employed at the American State Bank of Minot, N. D.

MINNEAPOLIS: An application to establish Park-Grove National Bank at 99 Belden Blvd. in the Cottage Grove Shopping Center has been given pre-

IOWA NEWS

The following registration figures have been reported for the May group meetings of the Iowa Bankers Association: Elkader—279; Cedar Rapids—290; Muscatine—365; Ottumwa—218; Des Moines—289; Council Bluffs—523; Okoboji—195; Clear Lake—1,059.

AMES: The 24th annual Agricultural Credit School began June 2 and will be in progress through June 13 at Iowa State University.

AMES: The Comptroller of the Currency has approved the application of the First National Bank to change its location from 405 Fifth Street to 413 Kellogg Avenue here.

DAVENPORT: H. R. Bechtel, president of the First Trust and Savings

Bank, has announced the appointment of Ernest A. Kenny, Jr., as first vice president of the bank. He was most recently associated with the Pioneer Bank of Arizona, Phoenix, and also was formerly executive vice president and director of the Burlington Bank and Trust Company, Burlington.

RED OAK: Paul D. Dunlap, president of Hawkeye Bancorporation of Red Oak, has been elected a director of the Association of Registered Bank Holding Companies at the organization's 11th annual meeting in Boston last month. Mr. Dunlap is president of the Houghton State Bank of Red Oak.

SPIRIT LAKE: Funeral services were held recently for Robert L. Currell, president of the First National Bank.

WASHINGTON: Group 11 of the Iowa Bankers Association will hold its Sports Day on June 10 at the Washington Country Club. Golf will begin at 1 p.m., with dinner at 7 p.m.

NEBRASKA NEWS

ALLIANCE: J. Keith Kreycik of



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NORTHWESTERN BANKER Proudly Announces A

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DEPART DES MOINES: "SATURDAY" DECEMBER 6, 1969 FOR WEST END, GRAND BAHAMAS
RETURN TO DES MOINES: "SATURDAY" DECEMBER 13, 1969 COST: \$259⁰⁰

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Grand Bahama is an "Out Island," which means it is "out" from New Providence Island, the location of Nassau, the capital of the Bahamas. As an "OUT ISLAND" it has a charm and unspoiled feeling which the builders of the hotel have preserved while sacrificing nothing to assure your comfort during your stay. Grand Bahama is a true coral island, with the climate and water temperatures ideal for coral-building. The water does not drop below the coral minimum of 70 degrees and is almost invariably in the ideal range of 75-85 degrees. The waters are among the world's richest in fish and marine life. The hotel's property is an Audubon Bird Refuge with profuse and varied plant life as well.

ACTIVITIES

Once a staff member of the Grand Bahama Hotel counted 57½ things to do at the hotel . . . the ½ is just plain loafing at pool or oceanside under a warm Bahamian sun. Whatever your interest, you are sure to find more than enough to do during your stay on the hotel's 2,000 lush, subtropical acres.

YOUR ITINERARY

December 6 "Saturday"

Depart DES MOINES AIRPORT via your chartered aircraft. Complimentary meal and drink service en route. The exact flight times and numbers will be given well before departure.

Arrive: WEST END, G.B.I. about noon. Upon arrival at WEST END, you will be met, pass through Bahamian Customs and Immigration and then be transferred by taxi in five minutes to the hotel. In the early evening there will be a Welcome Rum Swizzle Party and briefing session by your Tour Representative.

December 7 thru December 12 "Sunday-Friday"

At the GRAND BAHAMA HOTEL. Days of sun, fun, and relaxation are yours to enjoy as you like. No regimentation. You have your choice of more than 57½ things to do including golf, tennis, fishing (some of the world's best), bowling, skeet and trap, skin diving, snorkeling, water-skiing, sailing, duty free shopping, archery, horse-back riding, and so on. A short drive away are Casinos for those wishing to try their luck. During the week there will be an OPEN BAR COCKTAIL PARTY, steak and fish fry, a Bahamian Luau, a memorable international buffet dinner, nightly entertainment and dancing at the hotel, and plenty of time to soak up the Bahamian sun.

December 13 "Saturday"

Time for your flight back to Des Moines with complimentary meal and drink service en route.

RESERVATIONS AND DEPOSIT:

A deposit in the amount of \$25 per person is required to book the tour. The balance is due in full no later than October 25, 1969.
Federal Reserve Bank of St. Louis



Everything is at your doorstep at the Grand Bahama Hotel & Country Club

A complete resort! Grand Bahama Hotel offers 2,000 lush, tropical acres and the flavor of our "otherworldliness" of West End Village... a rare combination—full activity and picturesque atmosphere. All sports as well as miles of private beach are right on the hotel property. You won't waste your precious vacation time going and coming do all the things you want to do, because it's right here.

ARRANGEMENTS BEFORE DEPARTURE:

Upon registration for the Northwestern Banker Sunny Happening you will be sent an information bulletin with complete details on what to wear and take along, your resort hotel, predeparture arrangements, baggage and accident insurance applications, baggage tags, flight times and numbers, where to check-in for your flight, etc. No passport or smallpox vaccination is required for this trip, although you must have proof of your Citizenship (e.g. a valid or expired U.S. Passport, Voter's Registration Card, birth or baptismal certificate).

CANCELLATIONS:

If the tour is cancelled for any reason, all payments will be refunded in full. Individual cancellations received in writing at least 45 days prior to departure will be refunded in full less an administrative fee of \$10.00. Cancellations received less than 45 days prior to departure will be refunded in full on the land arrangements, but the prorata charter air fare will be refunded only if there is an eligible substitute on a waiting list.

ELIGIBILITY:

Members of the chartering organization and members of their immediate family are eligible for this tour. Immediate family means a member's spouse, dependent children, and parents living in the member's household accompanying the member on the trip.

Grand Bahama Adventure

Swinging vacation for those who want to "get away from it all!"

Fasten your seatbelts for the short trip to the Grand Bahama Hotel. Only 55 miles east of Florida where summer is endless and you refresh yourself in a complete break from routine.

Have a luxurious adventure

The Grand Bahama Hotel is an "unordinary" Class resort. From luxury air-conditioned rooms you go forth into the breathtaking beauty of the tropics with the ease and comfort of a modern American resort. Add to this the fun of Bahamian casualness, the charm of British customs and manners and you have a truly international atmosphere you don't want to miss.

Fun is par for the course

You can sit in the sun and enjoy being lazy . . . or play 18 holes of golf on the championship golf course while the surf accompanies your strokes. Stroll from golf to fishing, to tennis, badminton, skeet & trap, shuffleboard, bowling, archery, horseback riding, sailing, water-skiing, skin and scuba-diving and, of course, swimming. And then you will want to do some shopping (an ancient "sport") taking advantage of bargains on whiskeys, liqueurs, French perfume, cashmeres, watches and other fabulous imports at approximately 1/2 the U. S. price.



THE TOUR RATE INCLUDES . . . Round trip air transportation.

- Hot meal service at normal meal hours on flight
- Complimentary drinks on flight
- Accommodations in twin-bedded rooms with private bath, air conditioning, T.V.
- Full breakfast and dinner daily
- Round trip transfers and baggage handling between airport and hotel
- \$2.00 airport facility fee per person
- Cocktail Parties
- Free Tennis
- Supervised ocean and pool bathing
- Services of special representative at the hotel
- Services of Tour Escort Des Moines back to Des Moines

The tour price does not include . . . \$2.00 Bahama head tax per person; lunches and all items not mentioned in the above; Gratuities to hotel personnel

STANDARD RESPONSIBILITY:

TRAVEL UNLIMITED and NORTHWESTERN BANKER or supplier of services pursuant to or in connection with this itinerary shall not be responsible nor become liable for any delay incurred by any person in connection with any means of transportation; nor any loss, damage or injury to person or property by reason of any event beyond the control of any agency or supplier or occurring without the fault or negligence of any such agency or supplier. The right is reserved to substitute type of aircraft, dates of departure, alter the routing or cancel the trip if a minimum number of bookings is not reached for either the air or land portion of this itinerary. The right is reserved to substitute hotels for other hotels in similar categories, without previous notice. The right is reserved to decline or accept or to retain at any time, any person as participant in any tour, or to cancel any tour. No refund will be made for voluntary absence from the tour unless arrangements are made at the time of booking. A cancellation charge may be made for cancellation of the land portion of this itinerary within 45 days of departure. The schedules contained herein are subject to change without notice. All rates are based on Current Tariffs and Exchange Rates in effect at the printing of itinerary and are subject to adjustment without prior notification in the event of changes therein.

The airlines passenger are not to be held responsible for any acts, omission or event during the time passengers are not on board the aircraft. The passage contract in use by the companies concerned with this tour and/or passenger is the sole contract between the companies and purchaser of this tour and/or passenger.

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liminary approval by the Comptroller of the Currency. The \$500,000 initial capitalization of the bank consists of \$200,000 capital, \$200,000 surplus and \$100,000 undivided profits. Incorporators are W. C. Andrews and D. A. Shern, both officers of Valley National Bank of Eagan Township; R. L. Stryker of West St. Paul; L. R. Tinucci, of Newport; J. B. Turner, an officer of Highland Park State Bank of St. Paul.

PIPESTONE: Robert L. Breitenbach has been elected president and director of the Pipestone National Bank, succeeding Dwayne Halse, who has resigned to accept a banking position in another state. Mr. Breitenbach has been employed as manager of the insurance department and assistant cashier at the First State Bank of Litchfield and was most recently serving as vice president and cashier of the First National Bank of Spring Valley, Minn.

STEPHEN: L. V. Norman, cashier of the Farmers State Bank for the past 14 years, has resigned, effective June 15, to accept a post with the Peoples State Bank of Warren. He will be employed as executive vice president and managing officer. Gary Rood, assistant cashier, will assume the post of cashier at the Farmers State Bank.

SOUTH DAKOTA NEWS

SIOUX FALLS: Don Robinson, vice president of the Northwestern National Bank, has assumed the responsibilities of trust officer at the Brookings office. John Lasher, vice president, has assumed the managership of the Brookings office, the post formerly held by Mr. Robinson. William T. Larson has been elected a vice president and will assume the managership of the bank's Huron office, the position previously held by Mr. Lasher. Other personnel changes announced include: Harry Birath, assistant vice president at the Brookings office, to the branch credit department, main office; Sid Bostic, Brookings office, elected vice president and assistant

manager; Gerald Wethor, main office, elected assistant vice president and assistant manager, Madison office, and Gary Olson, Madison office, elected assistant vice president and assistant manager of the Huron office. David W. Armstrong has resigned from the main office business development department and will be replaced by H. John Peckham, vice president.

NORTH DAKOTA NEWS

McCLUSKY: Former Governor John E. Davis, president of the First National Bank of McClusky, has been appointed national director of Civil Defense in the Nixon Administration. The \$38,000 a year post is just below the secretarial level in the U. S. Department of the Army.

MICHIGAN: Application from the Lamb's Bank of Michigan City to move its headquarters from Lots 25, 26 and 27 in Block 17 here to Lots 13, 14 and 15 in Block 18 has been approved by the State Banking Board.

ILLINOIS NEWS

CHICAGO: Robert N. Frankel has been elected vice president and cashier at the Marina City Bank.

GIBSON CITY: The Comptroller of the Currency has approved the applica-

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tion to change the title of the First National Bank in Gibson City to the First National Bank and Trust Company in Gibson City.

HINSDALE: The Comptroller of the Currency has issued a certificate to the First National Bank of Hinsdale to change its location from 101 South Washington Street to 50 South Lincoln Street here.

COLORADO NEWS

ASPEN: The Comptroller of the Currency has approved a charter appli-

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cation for the First National Bank in Aspen.

COLORADO SPRINGS: Leonard C. Koetter, formerly president of the Exchange National Bank, Atchison, Kan., has joined the First National Bank here as vice president, succeeding J. F. Angell, who has retired.

DENVER: De Witt K. Binkley, Denver banker, has died at his home following a short illness. For the past 18 years, he had worked for Central Bank and Trust Company and was vice president of the bank's commercial loan division at the time of his death. He was 58.

DENVER: William J. Carson has been elected commercial loan officer at the Colorado National Bank. He joined the bank in 1967.

ESTES PARK: The Comptroller of the Currency has issued a certificate to the First National Bank of Estes Park to change its location within Estes Park from 300 East Elkhorn Avenue to 241 Park Lane.

FORT COLLINS: Application of the University National Bank of Fort Collins to change its location from 2293 South College Avenue to 2101 South College Avenue within Fort Collins has been approved by the Comptroller of the Currency.

GLENWOOD SPRINGS: C. O. Dever, vice president of the First National Bank of Glenwood Springs is retiring July 1, following 51 years in banking.

Charge Cards ...

(Continued from Page 1)

action may be taken in the future to regulate the manner in which charge cards are distributed to cardholders.

The problem of fraudulent uses of bank charge cards may be substantially solved, Mr. Bontems said, by increasing state legislation specifically making it a crime to use credit cards improperly.

Mr. Bontems emphasized that many of the problems facing banks and charge card programs are being worked

out through the bank card associations.

"The rise of the association concept among banks," Mr. Bontems said, "has literally opened the door to banks of all sizes wishing to enter the charge card field."

Bank charge card programs were financially prohibitive for smaller banks before the associations were developed, according to Mr. Bontems. "Now, the associations make it possible for even the smallest bank to join the charge card business by providing centralized computer accounting, a common advertising program to generate widespread interest in the card, and a common security system."

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