

# She makes bankers toe the line

A 60-year-old grandmother wins high marks as Massachusetts banking commissioner. She has held the job just seven months—and for her it has been a cram course in finance



Nation's only lady banking commissioner is Mrs. Freyda Koplow.

"I'm not the type who whips up a bowl of batter while scanning the latest issue of *American Banker*," says Freyda P. Koplow, a soft-spoken, no-nonsense grandmother of six. Though she is still handy around a stove, Mrs. Koplow is far more intrigued these days with a "kitchen cabinet" that can advise her on problems of banking.

For the past seven months, the former Massachusetts legislator has been cracking a delicate whip on the state's banking scene, serving as its first—and the nation's only—female banking commissioner. From her starkly modern 20th-floor offices in downtown Boston, she oversees some 1,800 state banks, credit unions, finance companies, and collection agencies.

**Big leaguer.** Mrs. Koplow reigns over one of the largest state banking departments, with five divisions and a staff of 205. The Massachusetts banking system ranks third in size in the U.S., with combined assets of \$13.2-billion as of June, 1967—exceeded only by New York (\$83.5-billion) and California (\$13.3-billion).

Mrs. Koplow's job is probably the last place you would expect to find a woman, particularly since banking is still a tradition-bound man's world. Furthermore, as watchdog for a highly sensitive industry, she must be at once a tough regulator and a smooth-talking diplomat. Much to Mrs. Koplow's credit, her political appointment was received calmly by the bankers who are working with her.

Undaunted by her duties, Mrs. Koplow has played her new role with the aplomb of an experienced State Street banker—whether conducting a hearing on a proposed merger, inspecting a site for a new savings bank branch, or licensing a small loan company. With equal imperatibility, she summons top officers of the state's banks to iron out problems uncovered by her 150 bank examiners.

"She just stepped right in and assumed a very important and responsible position in the govern-

ment," says Clyde S. Casady, executive vice-president of the Massachusetts Savings Banks Assn. He gives her high marks for "intelligence, practical common sense, and a constructive outlook."

The smartly dressed, 60-year-old commissioner has applied generous doses of these qualities to one of her most time-consuming jobs—smoothing out wrinkles in the nation's first "truth-in-lending" law, in effect since January, 1967.

"The consumer must be protected," says the commissioner, who has just approved permanent regulations for the new law after a year of experimentation. "But we must make it possible for legitimate financial institutions to do business with the consumer or he'll be driven to unscrupulous individuals who operate outside the law."

Much to the relief of some members of the banking community, Mrs. Koplow has used prudent restraint rather than a bold, slashing approach. "It takes a certain amount of seasoning in a job before one makes major changes," she explains, adding that "the law, not the department, sets the banking policy."

Within this framework, Mrs. Koplow has sought to maintain the type of balanced banking climate fostered by her predecessors: "To do as much as possible to help state banks grow and keep them competitive with federally chartered and supervised banks." Thus, she firmly supported last spring's state court ruling upholding the state's right to impose sales and use taxes on national banks on a par with levies paid by state institutions.

Similarly, if a merger appears likely to strengthen both parties, like as not Mrs. Koplow will approve it. In fact, she has turned down no merger since taking office.

To aid potential mergers, she is trying to eliminate inefficiencies. As she explains: "A lot of time is wasted answering questions about mergers that could be saved if the information were packaged and available to hand out." To this end, she has in-



**State House session brings Commissioner Koplow to the quarters of the Banks & Banking Joint Committee to plan hearings on new bills.**

structed the heads of her five divisions—Trust Companies, Savings Banks, Cooperative Banks, Credit Unions, and Small Loans—to prepare brochures with all the pertinent information. If Mrs. Koplow's intuition is correct, a lot of copies will be needed in the coming year.

Next month, Mrs. Koplow will unveil her first major project: a study aimed at "professionalizing" her department, one of the few not subject to civil service. Here the prime target is to upgrade the quality—and pay—of bank examiners, who comprise 75% of her staff.

Part of Mrs. Koplow's success in her job comes from self-discipline,

an inquisitive mind, and on-the-job—rather than formal—training. With a background in sociology, economics, and social research, she is the first to admit a lack of experience in banking and finance. Yet her approach to the \$15,000-a-year job is a lesson for political appointees.

**Training.** One of her first problems was preparing for the job—before it was offered—while serving her seventh two-year term as a state representative. For six months, as the ranking Republican in the state's House Ways & Means Committee, she artfully dodged debate on banking legislation while rumors of her pending appointment by Republican



**Reviewing merger bids, Mrs. Koplow calls principals to Boston office.**

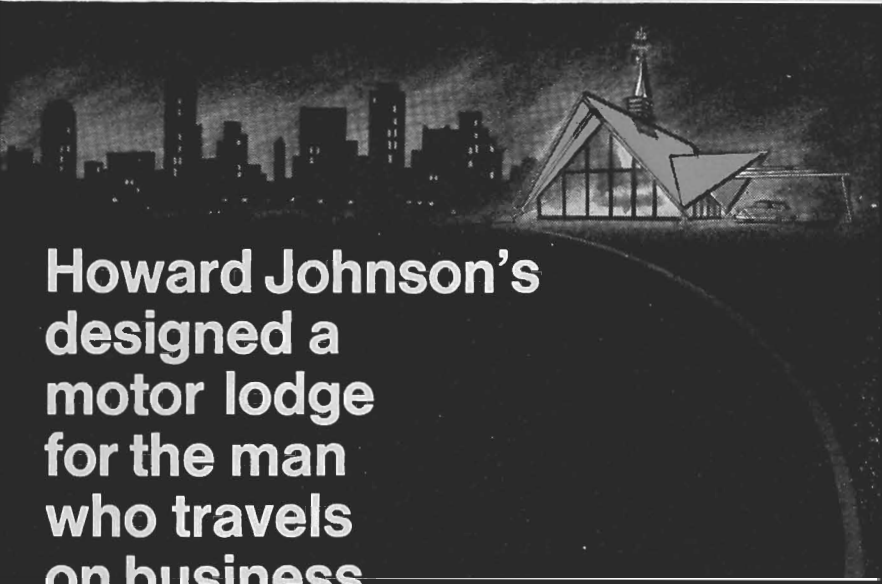


**Grabbing lunch may mean a quick sandwich or a bankers' banquet.**




**Checking site for branch bank takes Mrs. Koplow out for field inspection.**





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Governor John A. Volpe flew through the statehouse.

Mrs. Koplow had advocated a political future for Volpe, as early as 1952 when she met him at a meeting of the Republican State Committee. In between raising three sons and maintaining an eight-room home in Brookline, she had been busy in a host of civic activities, including long years of work in the League of Women Voters and a stint as Republican State Committeewoman. Then when her youngest son was nearing college age, a Brookline vacancy occurred in the House, and she decided "it might be interesting to run." Thus began an unbroken string of seven election victories for her House seat, although she was beaten in one try for the State Senate in 1964.

In addition to keen interest in tax legislation—including spadework on Volpe's 3% sales tax package passed in 1966—Mrs. Koplow headed the Women's Drive for Volpe in his successful bid for governor in 1960 and his narrow defeat in 1962.

When she first heard the governor was planning to name her banking commissioner, she laughed it off. "Then I decided that if I were offered the job, I'd better know something about it," she says. After that, it was not unusual to spot Mrs. Koplow leaving the chambers for home carrying Massachusetts statute books under her arm. Even in the first few months as commissioner, her constant companions were law books, banking texts, and speeches of leading bankers and economists.

Today, she is doing less homework ("I am getting more hep"), but even so she has given up a great deal of golf, bridge, and socializing. Luckily, her husband, who works in a family button-and-trimming business, works long hours, too.

Mrs. Koplow often is called away to give speeches and attend conventions, and she now finds it less strange to attend stag breakfasts and luncheons.

**Change.** "People are a little surprised to see a woman in this job," Mrs. Koplow admits, but she sees two distinct advantages to the distaff point of view: "A woman always feels a keener sense of responsibility for a job that never has had a woman before; she feels it would be disastrous for her to fail."

Another asset of a woman is that she can seek advice in a feminine way. This month, Mrs. Koplow is setting up her "small kitchen cabinet" and it will consist of four leading bankers in Massachusetts. In this way, she hopes to make her department even more responsive to the needs of the banks it serves. **End**