

Address at

Pulaski Day Commemoration Banquet of
Polish-American Society of Lackawanna County
Scranton, Pennsylvania
October 11, 1938

As Members of the Board of Governors of the Federal Reserve System, we are preoccupied with our duties and responsibilities which even in normal periods are sufficient to consume our time and energy.

It is seldom therefore that we are in a position to accept invitations to speak even when such invitations might be considered in the line of duty. It goes without saying, therefore, that it is quite difficult, to say the least, to give of our time and energy to other activities that are beyond the scope of our official duties.

The Federal Reserve System was created by Congress nearly a quarter of a century ago to serve the Economic needs of our country. By exerting its influence towards a sound credit structure, the System endeavors to assist industry, commerce and agriculture in meeting the needs and wants of our people.

It consists of 6,338 member banks, which are private banks, both state and national; - 12 regional Federal Reserve Banks, with 25 branches; located in different large cities of the country; the Federal Advisory Council, consisting of 12 bankers appointed by the board of directors of each Federal Reserve Bank; the Federal Open Market Committee, which consists of the Board of Governors and five presidents of the twelve Federal Reserve Banks, and the Board of Governors of the Federal Reserve System.

The Board of Governors consists of seven members appointed by the President of the United States with the advice and consent of the United States Senate, and as I said before each member is also a member of the Federal Open Market Committee which directs the open market operations of the Federal Reserve Banks. Open market operations are purchases and sales of securities - mostly government securities - in the open market. These operations have an important influence upon the capital markets - upon the volume and cost of credit.

The Board of Governors also may change the member bank reserve requirements within certain statutory limits. Likewise, the Board reviews and determines the rates which Federal Reserve Banks charge on their discounts and loans. The above three instruments all have an influence upon the supply of credit in the country.

In addition, the Board has authority to regulate the amount of credit which brokers, banks and others may extend or maintain on any securities (with certain exceptions) registered on a national securities exchange. This instrument is intended to prevent excessive use of credit for purchasing or carrying of securities.

The Board also has authority to supervise Federal Reserve Banks, to examine them and to require reports. It also coordinates their activities and operates an inter-district settlement fund by which balances due between the Federal Reserve Banks are settled by telegraphic advice

without the actual shipment of cash.

Board also exercises certain supervisory functions over member banks--state or national, and among other things, it

- (1) Passes on admission of state banks to membership.
- (2) May examine and require reports of member banks, particularly state member banks.
- (3) Limits the rate of interest member banks may pay on time and savings deposits.
- (4) Issues voting permits to holding company affiliates of member banks permitting them to vote stock of such banks.
- (5) Regulates interlocking relationships between member banks and organizations dealing in securities or between member banks and other banks.
- (6) Passes on applications of all state member banks to establish out-of-town branches.
- (7) Passes on applications of national banks to exercise trust powers, and
- (8) May remove officers and directors of member banks for continued violations of law or unsafe or unsound practices.

The Board keeps a complete record of all decisions on questions of policy, including votes taken and reasons for action. A policy record is included in the annual report to Congress.

The above is only an outline, of course, of the Board's principal functions. It has other duties and various other direct and indirect responsibilities, affecting the economic welfare of our country.

As you see therefore, we are kept busy--especially when conditions are unusual and emergencies arise--and, except upon exceptional occasions we have to deny ourselves the privilege and pleasure of accepting invitations to be present at various public meetings and functions of importance.

It, therefore, affords me great pleasure to be here and to take part in this ceremony.

This is a patriotic occasion and the patriot whose name we especially revere on this day is one who came here to give of himself--to give his prestige, his name, his wealth, and his very life at a time when such a contribution meant life or death to our independence as a nation. He gave when the giving was needed most.

As a basis for further discussion, let me sketch just briefly the life of General Pulaski whom we honor today.

His life should be an inspiration to all of us since he sacrificed his life that others might enjoy the freedom of life.

Count Pulaski was but thirty years old when he came to America, but he brought with him a great reputation. He was one of the three sons of a Polish Count who played a leading part in the futile struggle to preserve his country's freedom.

For several years his life was a series of dramatic adventures. He led armies not only against reactionaries in Poland but against the invading troops of Catherine of Russia. He joined the Turks and fought with them against the Russians. His name rang through Europe as that of a bold and romantic adventurer. However, these struggles were in vain for Poland was ultimately dismembered and Count Pulaski, his estates confiscated and a price placed on his head, found himself, in 1777, an exile in Paris.

It was in Paris at this time that Count Pulaski met Benjamin Franklin, a commissioner for the infant American republic. Count Pulaski convinced Franklin that he was eager to strike a blow for liberty in America as he had been doing in Europe, and Benjamin Franklin sent Pulaski across the ocean with letters to Washington. Of him Franklin wrote to General Washington as follows:

"Count Pulaski is esteemed one of the greatest officers throughout Europe for his bravery and conduct in defense of the liberties of his country against the three great invading powers."

He reached Boston late in July of 1777, and went at once to Washington's headquarters and for a time was attached to Washington's staff as a volunteer without command. The records show that he soon won Washington's respect and friendship. This is attested by the letter Washington wrote to him, saying "The disinterested and unremitting zeal which you have manifested in the service gives you a title to the esteem of the citizens of America and has assured you mine."

His first baptism of fire occurred at the Battle of Brandywine in September 1777, when with thirty horsemen of Washington's bodyguard, he charged a detachment which was trying to cut off the American wagon train.

As a result of his splendid conduct at the battle of Brandywine, on September 15, 1777, Congress awarded to Count Pulaski a commission as Brigadier-General in command of all the cavalry of the American forces.

On March 28, 1778, General Pulaski, having resigned his command, Congress passed a resolution that he retain his rank as Brigadier and have the command of an independent corps of cavalry and infantry.

Shortly thereafter an independent corps of three companies of cavalry, armed with lances, and three companies of infantry, a total of 330, all recruited in the city of Baltimore and the state of Pennsylvania, were organized with the approval of General Washington.

A banner was made by the Moravian Sisters at Bethlehem, Pennsylvania, and was carried as the battle flag of the Legion. This banner General Pulaski had with him up to his last engagement at Savannah.

In 1779 news that the British intended to divert their hostilities to the Southern section of the country prompted Washington to send General Pulaski south, attached to the army of General Benjamin Lincoln and in command of American and French cavalry as well as his own legion.

The first Southern engagement was that at Charleston, where General Pulaski is credited with having driven the British from the city.

It was during the battle of Savannah - September 16, 1779 - that General Pulaski made the supreme sacrifice.

Of his part in this battle, it is recorded that "Count Pulaski, who with the cavalry, preceded the right column of the Americans proceeded gallantly until stopped by the fort, and before he could force through it, received his mortal wound."

Wounded, he was taken on board the *Wasp*, an American ship to sail to Charleston. The ship remained some days in the Savannah river; and during that time the most skillful surgeons in the French fleet attended him. Efforts, however, were of no avail - gangrene had set in.

His death took place October 11, 1779.

Having been the first officer to be given command of all the United States cavalry, General Pulaski may be considered the father of that branch of our service.

So today is his day - October 11th. It is quite proper therefore that we as Americans - proud as we are of our inheritance - should give outward indication of this pride in the memory of this American hero, who like you and me happens to come from a people who have known for centuries what it is to fight for freedom.

That, by itself, however, is not sufficient. We must be inspired by General Pulaski's example to make our contribution to the stability of this nation which he helped to establish.

We do this in our daily life by our understanding of the requirements of citizenship, economical, social and political. Opportunities to do so are without limit.

This country affords myriad opportunities for the use of the talents and abilities we have derived through inheritance and education - mental and moral. It affords abundant natural resources rich and plentiful for industry, agriculture and commerce, in supplying the everyday needs of our people. It affords a new and unexampled culture.

We all carry with us consciously or unconsciously the heritage of an old world tradition of unusual interest and importance but we are living in a new world in which each separate tradition is only one among many.

It is expected, therefore, and I think reasonably so, that in this new world made up of many elements transplanted from a different soil, each culture should contribute in a substantial way to the evolution of our tradition - an American tradition.

The result of this effort is an increasingly rich mixture of traditions and cultures which in the end become American; giving rise to a wholesome culture - wholesome because it is free and unrestricted like the very air that we breathe - making this our nation strong - strong physically, mentally and morally.

In the daily routine of his economic life seeking and providing a means of existence, the individual represents that typical American, and by applying himself assiduously, makes his contribution to an American tradition which makes for our stability as a nation.

American history is replete with inspiring examples - the kind that make us determined to "make our lives sublime." Though at times in the past perhaps we have felt that we were not moving forward - yet - just when our most strenuous efforts seemed to have been spent in vain we were no doubt in no mood to notice the more certain, if less conspicuous results of all our efforts - of the united efforts - of each of us.

Actually each day finds us farther ahead - whether we see it or not.

It is inevitable that each generation, just as each individual, should have its own trials and heartbreaks. "This," it has been said, "is one of the sad conditions of life, that experience is not transmissible. No man will learn from the suffering of another. He must suffer himself." If there is to be a happy issue from the confusion and conflict which now trouble the world, the peoples and the leaders in all lands must generously seek to clear their minds of prejudice and suspicion, and to subordinate the lust for power to the will for better understanding.

As citizens of the United States we can justly say that our country stands foremost in the ranks of the countries of the world that make a sincere contribution in the direction of a lasting world peace and a social stability which is based on a better understanding and a closer cooperation of our elements which are interrelated and interdependent in this economic structure of ours.

You and I must therefore - taking a page from the life of General Pulaski - dedicate ourselves to the task of facing our individual and collective problems courageously and with determination just as General Pulaski faced the cannon's mouth with courage and determination - so that we may grasp the fact that the complexities of our modern life are in fact full of opportunities. Just as the American pioneer realized that if he desired the independence which this new world afforded him, he must endure the test of severe privation, perils and sacrifice - so we, too, must realize that we cannot enjoy the benefits of this elaborate and complex society without meeting the demands that such society entails.

People from all parts of the world have come here to live. We are

therefore truly representative of the whole world. Not only does this add to our responsibilities as a nation, but it compels us to look forward and not backward, and to make the most of our individual opportunities to contribute to the making of a greater and better world.

We who live and work in a country where all are really equal, where all have the same opportunities - opportunities to ascend the ladder of personal achievement have an obligation to help others to live happily in a society in which there are no discriminations or prejudice; no grades of inferiority or superiority in our membership, and where the only requirement made of us is this - that we actually avail ourselves of the privileges of membership; in other words, that we become active members - active in the social, political and economic life of our organization - of our organization known the world over as The People of the United States of North America. Active membership resolves itself to unquestionable loyalty, willingness to work hard and an eager quest for knowledge.

As history teaches us that each American hero was a builder, a builder of a house in which you and I may live happily - so in our everyday lives, we, too, must be heroes - as it were - we too must build - so that "Each tomorrow will find us farther than today." Longfellow expressed this so beautifully and so clearly that if you will bear with me for just an additional minute, I shall repeat his exact words:

"All are architects of Fate,
Working in these walls of Time;
Some with massive deeds and great,
Some with ornaments of rhyme.

"Nothing useless is or low;
Each thing in its place is best;
And what seems but idle show
Strengthens and supports the rest."