

June
1925

Mr. Chairman, Ladies, and Members of the
Utah Bankers Association:-

The banks of this State, following the trend of things, met together in Salt Lake City on June 6th, 1909, sixteen years ago, and organized this association. L. S. Hills was its first president and Whitney was its first secretary. At that time 61 banks composed its membership. At present it was a membership of 113 banks and 17 associate members, with total resources of more than \$150,000,000. When measured by the resources of our individual banks this total looks large, but we are but a small part of the great American Bankers Association, which has been organized fifty years and the membership of which now numbers more than 22,000 banks with total resources of approximately \$60,000,000,000. From these figures you see we are engaged in a business which is a giant in size when considered in the aggregate.

THE NEED OF ORGANIZATION

This is an age of organization. Capital has been concentrated into great powerful groups; labor has been combined into powerful unions; farmers have organized into county and state farm bureaus, which are a part of the national federation: each particular type of business or other activity is organized into an association. The strength and usefulness of these organizations depend upon the cooperative efforts of the members. Our very progress is directly dependent upon our ability to work together.

Today in a highly complex state of commercial and industrial organization man depends not upon his own unaided strength, but upon his ability to work in great units. Progress is a growing participation of more and more people in more and more of the good things of life. In spite of our follies and failures, we are slowly but surely getting ahead. Our problems are problems of life and growth, not of death and decay.

As in the recent war, civilization may slip back, but these tragic lapses represent an investment in experience. In spite of the World War, today it is reasonable and normal to think of human history as a forward movement from darkness to light, from slavery to freedom, from poverty to comfort, from aloftness among men and nations to a condition of friendly contact and cooperation.

PROGRESS MADE

It might be interesting to briefly review the progress of the last hundred years, which seems miraculous as compared with what has gone before.

The wealth of the world at the time of founding this Republic was estimated at not more than One Hundred Billion Dollars. This represents the product of the accumulated effort of forty centuries. Today it is estimated the wealth of America alone is Three Hundred Billion Dollars.

In the country as late as 1836 only 109 patents had been issued, while at the present time the total patents issued exceed 40,000.

It is less than 100 years since the first train moved by steam and but 50 years since Westinghouse produced his airbrake, making it possible to move great trains with speed and safety.

It was 1835 before the power loom was perfected to a particular service in the production of cloth, one of the great primary human necessities.

The first structural beam, the forerunner of the skyscraper, was not produced until 1855.

It was not until 1876, by the development of the telephone, that the human voice was made to carry, and today we have the modern miracle of the radio.

There was exhibited in Philadelphia less than fifty years ago a Corless engine which generated the unheard of aggregate of 2500 horsepower. In the press a few days ago was a report of a large manufacturing company in New York securing the contract to build one electric generator to produce 110,000 horsepower, and to cost One Million Dollars.

Our population in 1875 was forty million; today it is more than One Hundred Ten million. Two million men were then employed in industry, the annual production of which was valued at a little more than Two Billion Dollars. Today over twelve million men are employed in our factories which have an annual output estimated at over Sixty Billion Dollars; or an increase in output per man employed, measured in dollars, of five times what it was fifty years ago.

The automobile is the crowning achievement of this progress: an industry less than 25 years old, now produces four million cars per year valued at Two and One-half Billion Dollars. Fifteen years ago 1 $\frac{1}{2}$ automobiles were produced for each worker engaged in the industry. This has risen now to 9 $\frac{1}{2}$ cars per worker employed.

The growth of our financial systems has been no less impressive than our industrial growth. Fifty years ago they were inadequate and we were an inefficient financial power and gold was at a premium. Today the capital invested in our banks alone is more than Six Billion Dollars, which is more than 2 $\frac{1}{2}$ times the entire national debt fifty years ago, which included the cost of the Civil War. The total deposits are more than Fifty Billion Dollars. On December 1st, 1924, the stock of gold in this country, reported by the United States Treasury, was \$4,575,000,000, one-half of the gold supply of the world.

The growth of life insurance in this country is stupendous. In 1860 there was One Hundred Eighty Million Dollars of insurance in force.

the lives of sixty thousand people. In 1923 this had reached Fifty Billion dollars on the lives of forty million people, more than one-third of our population. The loanable funds of American insurance companies are more than Eight Billion Dollars.

I am not attempting to measure the moral or spiritual value of wealth creation and national progress, but when we consider that in the last ten years the attendance in our colleges and universities has increased from 225,000 to 550,000, and that there is a compulsory system of public school education in this country up to the age of 18 years, we see evidence that there is no slackening of a desire for knowledge and culture.

The ethics today in both business and politics are clearly higher than those of twenty years ago. It is of immense importance that our present system, which has made possible our constantly advancing living standards, be preserved against combinations which try to force social and industrial fallacies into the field of free government supported by individual initiative. Our national wealth is \$3,000 per capita, or thirty times what it was a century ago. It is evident that we have sufficient for all our needs, but we must forget some of the extravagant desires born of war conditions if we are going to continue the steady march of progress without serious interruption. We must acknowledge that progress comes only through toil, economy and thrift, and that these alone are the motive power which creates the enduring structure.

IMPROVEMENT PAST YEAR

As a result of the war the entire world suffered a lapse and even a slipping back in its progress. I believe that headway is again being made and a review of some of the happenings of the past year will convince us of this.

The notable improvement in conditions in Europe and betterment in the relative position of the farming industry in the United States are two developments of outstanding significance. The course of business during the past year discloses that these are but two of the many favorable factors which indicate improved business activity.

IMPROVEMENT IN EUROPE

There has been great improvement in Europe, partly as a result of the operation of the Dawes Plan, but to a greater extent the result of the accumulative effort of the soul struggle back to normal peace-time life since the war. The evidence of this betterment is seen in practically every country.

In Germany her currency has been stabilized and she is now on a gold basis. The old paper mark, which reached a point where it was not worth any more than the intrinsic value of the paper used in its printing,

is being exchanged for the reich mark, which has a gold value of 23.8 cents, the par value of the old mark on a basis of one trillion of the old mark to one of the reich mark. On July 5th the old mark will become valueless as it will no longer be legal tender.

The results of the fiscal year of the German government, ending March 31st, show a surplus of revenue over expenses of Six Hundred Fifty Million gold marks, or One Hundred Fifty Six Million Dollars.

The recent election of Van Hindenburg gives assurance that there is little danger of a revolution in Germany, the Communist Party having cast less than two million votes out of a total of thirty million.

Conditions in France have not been so favorable; little progress has been made during the past year. The government has gotten deeper in debt with the result that inflation has ensued and currency has depreciated. The recent change in her ministry promises to bring about an improvement in her fiscal affairs. Strenuous efforts are being made to increase revenues and decrease expenses, thus increasing the value of the franc and restoring confidence in French securities.

Great Britain has been the great outstanding stabilizing factor in Europe. The recent re-establishment of the gold standard by Great Britain is of great importance and value in restoring confidence in the European situation.

Simultaneously with her action, Holland and the Dutch East Indies announced a similar action. South Africa reverts to the gold standard July 1st. Sweden, Austria and Germany are already on a gold exchange basis.

During the past five years Great Britain has not only always balanced her budget, but has decreased her indebtedness approximately One Billion Dollars.

We all agree that the United States will profit by a resumption of normal economic life in Europe and the rest of the world for that matter. It is no benefit to any one when a condition exists of millions of people in other parts of the world barely able to eke out an existence while this country has a burdensome surplus. It is impossible to produce too much of the good things of life. What is needed is employment for all with a free exchange of the products of their labors. This would give greater production, consequently greater consumption with higher standards of living. To entirely eliminate the disastrous effects of the war and bring this about it will take time assisted by hard work, patience, confidence on the part of all as well as good-will and friendship between nations. Greater economy should be practiced in governments and military expenditures must be greatly reduced.

AGRICULTURE

Agriculture is the leading industry of this country and, therefore, has more to do with the course of business than anything else. There is no doubt that the position of the farmer, taking the country as a whole, has improved the last year. The equilibrium between agriculture and other industry is slowly being established. They are nearer in balance than they have been since the war. The crises we have gone through has been entirely economic and the remedy lies in the application of economic principles rather than in legislation. Relief is gradually coming to the operation of economic law.

Our particular section of the country has and is suffering as a result of last year's drouth. This was a severe blow, not only to the farmer but to every line of activity. Fortunately the crop conditions in general in this section of the country were never more favorable. With present prices for most agricultural products and livestock, the outlook