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A N A D D R E S S

by

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of the
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Gentlemen of the State Bankers' Association:

It is unnecessary for me to state my great pleasure in meeting with you at this Convention. I regret exceedingly that Governor Harding, could not be here as you desired. May I ask you to let me come in with you as a State Banker, for as you know, for twenty-five years this has been my business, serving a country agricultural community and I feel more at home.

I come not for the purpose of making a speech but to sit with you, if I may, in conference and to have a chat with you regarding some things of mutual significance and importance at this time. Indeed I regard it as unfortunate to come here perhaps in a way representing the Board upon which I have the great honor to sit, and you may think that I speak from the larger supervisory relations rather than with you as a banker. May I assure you I do not - a desire to be of service to my fellow-bankers, alone prompts me. My serving in this capacity however, as substitute today, is not your fault.

It is a signal honor to meet with this distinguished gathering of representative business men and bankers of Oklahoma, this great new Empire of our country. The extent of your immense territory and of your resources with only thirteen million of your forty-three millions of acres of land under cultivation, can hardly be measured. Some twenty odd years ago it was my great privilege to spend some time here. Your cities then were small; your country new. Transportation facilities of little consequence. Today the evidence of your prosperity, of your enterprise and vision, overwhelms me.

The rest of this country has learned to respect and honor Oklahoma not only for your progressiveness and your enterprise, but because of your Americanism so pronounced and so wonderful in the stressful days just passed. A state that can produce in one year (1919) nearly three hundred millions

of dollars in food crops and 250 millions in oil and can produce and maintain \$120,749,000 of live stock and have so potential a part in producing these things so necessary for the preservation of life and for the commerce of our nation, is incomparable. I appreciate too that you not only represent this great and significant volume of resources but that you men are the pioneers, the key men, the leaders in your banks, in your State chartered institutions, representing eleven million dollars of capital and nearly four and a half millions of surplus and the deposits of your clients approximating 150 millions of dollars. These figures are significant. And I would be indeed recreant as a citizen to come to you with any message of pessimism, because these are days when we should value the resources of our own lives and the contribution that the world and events have made to us. They are a challenge not to look backward but only forward to the opportunities and privileges and blessings that confront us and to encourage ourselves only because of the achievements of the past.

A writer recently says, "Pershing with the whole strength of his personality, set himself the task of injecting this "will to win" into his army. Nothing typifies Pershing's character so vividly as does the driving force that he put into his campaign. He had a plan of campaign, a definite plan, and he stuck to it through thick and thin, letting nothing come in the way.

" His officers were made to feel this driving force. "General Pershing has ordered this and it's got to be done" - that was the spirit that dominated the army.

" Just two instances:

" An officer sent this message to headquarters. "Unless I have reinforcements I must surrender." Immediately the order went back from Pershing: "Turn your command over and report at headquarters." An officer could ask for needed reinforcements, but he could not talk surrender.

" Pershing asked another officer: "What condition are your troops in?"

"They are tired out. They are not in condition to continue in action."

" The answer was snapped: "It's not your men that are tired out, it is you. Show your men that you've got the stamina to hold on and your men will hold on with you."

Quoting from an editorial in a Metropolitan Journal.

"We are besieged by an army of calamity howlers. The Bolsheviki is the nightmare. The nerves of these people go all to pieces when they discover some radical literature or a radical speech, and they can almost name the day when Revolutionists will overthrow our Government."

"We must silence those who would make us believe that we are to have a panic, and to assert not only our courage but our faith in our American ideals. If those who had come before us hadn't had faith and courage there would not have been any United States of America. It is demanded of the Americans of today that they have the same faith and courage, if this country is to overcome any future difficulties and be better and greater for the experience."

"We must have patience. We all have our ideas as to what should be done, but they cannot be realized at once. The United States and its institutions have come through a century and a half of change. It is going on to other changes and further development. It is for us to concentrate on that fact with courage, with faith, and patience."

Why should our message not be one of optimism? Who upon this planet have greater reason to be optimistic than the citizens of our Republic? Two years ago or more we were called in the Providence of God, I believe, to the great mission of redeeming and saving the world from the despot and the autocrat to a larger and more pronounced liberty than yet any of us of the human family have reached or believed.

It is not possible that men could make the sacrifices in vain that our sons have made in going with clear hearts and clean hands to help the oppressed peoples on the other side of the world. To us who have had some humble part

with them in the sacrificial thing, to go back to do our work in life as before would be to dishonor ourselves. It is our privilege as business men to occupy completely the sector that belongs to us. Great trials and obstacles and problems may confront us but what care we; this is what has made the bone and sinew of our people. This it is that has made our country great. As we confront the new situation economically in this world and as we launch our bark upon an uncharted sea, economically speaking, let us remind ourselves that our boys, new and untrained in war, for days and nights lingered in the trenches before the enemy, unafraid, and yet could not go out to engage the enemy in combat because the time was not yet. But when the word was given, trench or bombs or barbed wire or overwhelming odds did not retard or stagger. With one voice they cried "Let us go". It was this spirit, unconquerable, that made the issue complete and quick. When America with its men arrived a new spirit was projected into the plans of battle. It is this spirit that I would like to reflect, if I could, as we think of our problems as bankers. We have a right to believe that the things we have accomplished as a Nation and as men we cannot only duplicate in the future but can improve and enlarge.

Who would have thought that two years ago or so that this nation could have raised in money in so short a time a sum of thirty-two billions of dollars. Twenty-two billions to equip our boys and armies in the fields, and ten billions to loan to the Allied Nations. Do you remember that when it was proposed to make the first war loan the great financiers of our country from New York said "The sum asked for under no circumstances should be larger than a half billion of dollars; that it would be impossible to get more?"

The Secretary of the Treasury, struck the heart of the sons of liberty, they not only gave a half billion but over night added three and more full billions. You men in this room and patriots like you all over the country, have been the leaders in accomplishing this.

May I remind you that before we were called into this great conflict and when war was declared on the other side of the world, we owed the nations of Europe in trade balances about 400 millions of dollars. Besides this, Europe owned and held in their strong boxes about four and a half billion dollars worth of the securities representing the railroad and commercial and industrial capital of our country. The problem of paying not only this debt, but of buying back our securities which were being dumped upon the exchanges was most appalling. But to be brief, Gentlemen, we not only paid this debt but bought these securities back in the main.

I am sure from this brief recapitulation that I have given you a fair reason why we should be optimistic as we approach the problems of the future. The pioneer never was a pessimist. The producer who sees the reward of his labor is always an optimist and I appreciate today that I am facing not only pioneers but producers. Men, you are honored to have to do with the greatest producing class of America, namely, the farmer.

We hear much these days about "inflation" and "over expansion" and "deflation" of credit. Would not "credit regulation" be the better term?

It is perfectly obvious that with twenty-five billions of credit operations, represented by the Government bonds issued during the war, that for a long time things will be abnormal and it may be fair to state that the credit situation is inflated. This can only be changed by an absorption of this debt by the savings of the people. This means economy and thrift and saving on a no mean scale.

It is just as equally obvious that America never had such opportunities for production and when I say 'credit should be regulated' I mean that available funds of the banks in the Federal Reserve System and all banks generally should be wholly directed into the channels of production for the increase of all commodities, the need for which is world wide and without precedent.

Bankers will have to become analysts, to discriminate carefully on

loans will be a daily task; they will have to stand as guardians and trustees as never before in their business to see that no funds go for speculation whether it is upon the stock markets, in commodities or in land or anything else. The full power of all credit should be conserved and be behind production.

With patience and care America will surmount all her difficulties. Time is essential.

You know our city friends do not fully understand our relations to the economic welfare of this country. Too often they regard the dollar as representing true wealth. This is not so. There is no wealth created except by the laborer who produces an article to sell or the farmer who from the soil or the earth produces something for use to maintain and sustain life. And I consider it a signal privilege and honor to speak to men who have to do with the agricultural interests of our country. I am sure that none of us fully appreciate the significance of this. The country banker has without question the largest opportunity of all other business men at this time in our country. You are to deal directly with the men who this year in this nation of ours have produced ten billions of dollars worth of food crops alone and who added an increase of live stock approximating 700 millions of dollars.

I desire also to take you back briefly into the financial history of our own country as compared with your position today. I am reminded to do this

as I have recalled for your consideration the achievements of these years and to state to you without any fear of exaggeration or contradiction that none of these things could have been possible if it had not been for the Federal Reserve System. As I have stated to you, my banking experience has been confined almost entirely for a quarter of a century to a State chartered institution. My life has been related almost entirely to the activities and business of the farmer and with you I have had the experience that every banker has had, not of going through a war but of going through financial war and panics. With chagrin and shame as a trustee of the people's money repeatedly we have had to apologise and refuse to give them their money when called for. And I wish here to state that I am a firm believer in the position of the State banker in our economic life. I believe you have just as distinct a relation of importance to the people as the National Bank has. Each have their place and we should preserve the independent relations we occupy as bankers, but if we wish to preserve this independence I ask for your earnest and careful consideration of what this relation has to do with the Federal Reserve System at this time. Are you a participator in and for the System, or are you satisfied with being a beneficiary? Is it of any concern to you as a banker that you play into the game and be part and parcel of this financial organism or that you superficially stand on the side line, too often to criticise and yet partake of the blessing and benefits and make no real contribution. I do not come here today in any spirit of criticism, and as I commenced, I desire to talk only as a State banker with my fellow state bankers, believing that we have a message for your thoughtful consideration.

The remedy for our existing financial condition and the reoccurring panics in the financial history of our country was plain to all our Statesmen, but because of centralized influences, selfish in the extreme, it was quite impossible for legislators to project a programme to remedy this situation. It took a so-called University Professor, now the outstanding figure in all the

world - President Wilson - to not only conceive the plan in its fullness and to add the necessary vision but also the necessary force to demand of congress the enactment of the law establishing the Federal Reserve System.

We shudder to think what our position would have been if this system had not been ready when war broke upon the world. Without doubt financial chaos would have reigned.

In the old days when the stock gamblers would play their little parties and set the wheels of speculation going, when the game got beyond their control, you will remember, they were playing with the funds the producing people had on deposit, and when we desired these funds for their use, and for legitimate purposes to increase production and care for our communities, we were told that we could not have them and we were compelled to resort to one device and another to care for our need. The Oklahoma Bank had its reserves deposited at Kansas City, and Kansas City in Chicago and the Chicago Bank in New York. Thus were our reserves pyramided. Never mobilized for use for the day of stress. I am not going to waste any time today talking to any man here who has not the vision to see the importance of this great matter. The first necessity if we preserve our independent-relationship as bankers to our own institutions, and our own communities, is the mobilization of our reserves for use. When we commit them to another interest, selfish or personal, they must of course be used for profit, and when same are so used they may not always be liquid enough to become available.

I do not believe it is necessary longer to try to prove to any banker what it means to mobilize reserves. This has been a proven fact and instead of pyramiding as we used to in the old days we find now a foundation in the mobilized reserves of the Federal Reserve System, upon which we can build a strong superstructure of credit. If the assistance of these reserves in the Federal Reserve System ^{has} not yet appealed to

you as being the foundation of your own business as banker, I shall not waste time to argue further. It is obvious and self-evident if not appreciated. The larger contribution you make to those reserves, the stronger your bank will be and the greater your ability to serve your community. If you are still on the side lines as I have indicated, you are still building upon the contribution and service of others.

Do you think it would be possible for Oklahoma to have done her noble and splendid part in contributing \$165,918,400 for the war issues of Government bonds, which is approximately 30 millions above her allotment, if it had not been for this foundation laid?

In 1917, \$25,693,596 worth of paper was rediscounted for banks in Oklahoma by the Federal Reserve Banks at Kansas City and Dallas. Then in 1918, as the advantage of the System had become more widely known and as more banks had become members, a total of \$148,345,896 was rediscounted for Oklahoma. For the first nine months of 1919 the total of paper rediscounted was \$24,943,668. In other words, that much money was loaned to your state from outside sources; that much money was given to Oklahoma's use because it has banks prudent enough to join the Federal Reserve System. What will it be for 1920 if you do your duty in production?

May I suggest here, Gentlemen, the need of the closest analysis of all loans - that credit for speculative purposes, either on stock exchange, in commodities or in land, be denied. A stern situation confronts us. Twenty-five billions of Government debt has been created which must be absorbed by the savings of the people. Any additional credit created other than necessary for increased production,

is but adding a hazard. This is your first duty as American bankers. Let us not inflate, but deflate in orderly fashion. We should all be preachers and doers in thrift and economy.

I need not take more of your time to review these fundamental propositions. We have at the present time in this country in the control of the Federal Reserve System, over two billions of gold. As near as can be estimated, there is outside some 600 millions of gold in the pockets of the people or in the control of state banks. I appeal to you, gentlemen of finance, as the custodians of the interests of your communities, that it is self-evident and highly important that this gold be deposited in the common reservoir for use in the day of opportunity or stress that may be before us.

While we are concerned for the day of stress, we must provide abundant resources to take advantage of our present job as a world power, to produce the necessities of life immediately and in volume as we never have before, if the world is to be saved from utter starvation and financial distress.

I know that there are alarmists in the country. The croaker, the critic, efficiency experts, and so called economists are always in evidence. They were here when the Federal Reserve System was established, you will remember. When the proposition was conceived of bringing into the credit fabrics of our country the liquid assets, the wealth if you please, as represented by the notes of the farmer, merchant and manufacturer, to be available for currency, and when it was proposed, and as it is now a fact, to put with this wealth and credit of our people an additional 40% of gold to underly the Federal Reserve note issue, many of these experts met and said that

currency would become too inflated and that we would not have enough gold to hold the structure up. Let me remind you again of the volume of gold now in the country, and ^{of} our currency medium and of its value as compared with any money standard in the world. But I would further remind you, if I may, in a more forcible way, that for the first time in the history of our country the real wealth as represented by the laborer and the products of our whole people and property are mobilized. Yes, we have the gold. We are a creditor nation. We have now a foundation to build the superstructure of credit, safe, deep and sound. We have democratized our banking system - 12 great banks with branches - serving all our people, commercially and geographically, and not any one group, city or district. The Federal Reserve System is the greatest single piece of constructive legislation ever placed upon the statutes of our country.

The demands to be made upon us if we do our part are to be so great that anything we can do to increase production as the leaders and representatives of the farmers should be done with precision and in volume. The Federal Reserve Act was passed to stabilize the industrial, commercial and agricultural interests of our country. The resources of the System were never calculated by the founders or by the Government to be used for speculation. It has always been the full purpose to have the law so administered by the Board at Washington to give preferential rates for all paper based upon commodities and to provide for the safe, ordinary movement of same to the markets. If we can as country bankers, play our part as leaders to see to it that our customers, our clients, will avoid all speculation in commodities and

that there is an orderly market at all times, there never need be a fear but what you can go on and increase without fear the expansion of all effort to increase production. There may be someone here who would like to muddy the water and warn us about the danger of inflation. No prudent man in the banking business would fail to study and appreciate this danger. The events of the past four years, however, will not warrant any man in successfully stating or proving that we are suffering from over-inflation of currency at the present time, - but over-inflation of credit is a possible danger. May I refer briefly to the letter of Governor Harding to Senator McLean, dated August 8, 1919, as follows:

"There has undoubtedly taken place during the last two years a certain amount of credit expansion which, under the circumstances connected with our war financing, was inevitable, but this will be corrected as the securities issued by the United States Government for war purposes are gradually absorbed by investors. This credit expansion is equal to the difference between the total of the war expenditures of the Government on the one hand, and on the other, the total amounts raised by the Government through taxation and by the sale of its obligations so far as paid for out of savings. No reliable estimate can be made of this difference, which must be gradually absorbed through future savings for the reason that banks are lending and will always lend freely on Government bonds as collateral."

I urge upon every banker here to read that letter carefully and to get its import. I again wish to state that I am an expansionist or any other old thing that you may wish to call it, when I say to you that we can finance the farmer without limit to increase his operations to produce that which the people may eat or wear without any danger of over-production. No man or economist lives in this world who can gauge or prophesy what the outcome will be economically in the countries of Europe, so weak and broken down by the war, but one thing we may be sure of, this slack will never be taken up by our standing still or by piling up reserves. Again let me state, real wealth is only produced. Our problem is simple

and we should learn our lesson as rapidly as possible. Produce more, spend less, economize and save. I do not come here to sell anything, or to solicit anything. I may perhaps be making a feeble effort to advertise something worth while.

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You remember the story which is the foundation of Russell Conwell's great lecture entitled "Acres of Diamonds" which he gives so ^{simply} and plain to his audiences by illustrating how so many people look for their fortune, their El Dorado, somewhere else than where God has put them to work and achieve. He tells now a farmer, I think it was in Africa, who had heard of a great diamond mine somewhere and with all the allurements and passion that came to him with the overwhelming desire to possess an immense fortune he sold his little farm and personal property and went on a long search for the diamond mine. The purchaser of his farm one day, while at the well watering his stock, discovered a glistening in the sand and upon investigation found a diamond. On further investigation he found more and to make a long story short the purchaser of the farm was the owner of the greatest diamond mine in the world. Illustrating a great lesson that we all ought to learn to value well our own possessions, our present opportunities and our place in life. It would be well worth while to think of this as citizens of the Republic, but I would like to call your attention to the other story as a basis for his other lecture entitled "Five Million Dollars for the Face of the Moon". He commences this lecture by telling the simple story of a man lying sick unto death in one of our Eastern cities, given up by physicians, surgeons and specialists. He resigned himself to die. An old lady in the neighborhood hearing of his condition asked for a visit. She prayed she might have the privilege of serving some tea brewed from herbs she had gathered in the woods. The result was, to make another story short, the patient began to improve, soon was convalescent and began to realize he had a lease on life.

He began to study and think of what he should do with his life so dearly bought. Being a true philosopher, he decided to secure the recipe for the herb tea which cured him. He began to sell it to his friends, its fame grew, soon he had salesmen and wagons on the road. He began to build large buildings to manufacture and the world was blessed by the use of this new medicine. His advertisements appeared on the barns and the fences, on the sides of the roads and on places of prominence. Even the Rocks of Gibraltar were plastered with advertisements of his medicine so that the passengers on passing ships could read; on the mountains of the Andes he dared to go. One night his friends found him star-gazing, looking up into the moon in all its brilliancy. One bold spirit asked him what he was doing. He sighed and said "If I could secure the face of the moon I would give five million dollars". He was asked "What for?". He said he would place five words upon the face of the moon so that all the world might gaze, read and profit thereby. He was asked what the five words would be that he would choose from the languages of the earth to place there. What do you suppose were the words he would place there? The great lecturer, Conwell, after taking his audience to this point would leave them and draw lessons from life as to what man was really placed upon the earth for. Service. The five words he would place upon the moon were these: "Find Good, Then ^{Advertise} It". A simple but wonderful thing which I have often thought we should practice. There is in the heart of man enough good which if encouraged, corralled, coached and coaxed would be sufficient to drive out all the evil or darkness. I am here to advertise, if I may, a good thing.

I believe, Gentlemen, that from this war we have all become better men, better citizens, but I would like to apply this last thought to you

as State bankers, asking for your good consideration of the benefits that may come to you by becoming members of the Federal Reserve System.

To those of you who as bankers appreciate the new responsibility upon you as community builders and as trustees of the people's money, I ask for your very careful consideration to the importance to you of placing your banks into the Federal Reserve System, and having that close complete relationship which assures absolute safety for the future, whatever problems may be. You will be a part of a Federal institution, which is nation-wide, cohesive, a complete financial organization having full respect for every interest of our people. An organization controlled by the strongest Government on the face of the earth. A system which today consists of 7821 national banks and 1103 state institutions, with a total capital of \$1,527,171,000 and a surplus of \$1,312,105,000 and with total resources of \$30,280,234,000 indicate a financial machine of strength and one of cooperative power without compare. An institution which has in its control over two billion dollars worth of gold, the greatest amount of gold ever assembled in the history of the world in the control of any one Government.

Does it mean anything to you to be a real part of such an institution; to be recognized by it and as part of it?

Have you taken time to secure the viewpoint of your depositors when they once grasp this tremendous fact and as they draw checks upon your institution upon which is printed the fact that your bank is a member of the Federal Reserve System and that the check of that customer passes current anywhere in the United States?

You may, if you please, magnify some of the smaller losses or charges that you would have in joining the system, but let me appeal to you as I have tried to thus far, to get the larger viewpoint of your

leadership as a banker and as a leader in your community. That you put first things first. You may discover that this principle when once worked out will be not unlike the tides of the ocean. They come in with unfailing regularity and when they go out they take with them not only the great war vessels, merchantmen, but the little dory and canoe are lifted alike upon the bosom of the tide. A well known philosopher put the idea something like this: "Just as in religious hysteria a single text becomes a whole creed, to the exclusion of every other text, and instead of being itself subject to rational tests is made the sole test of the rationality of everything else."

I am confident, Gentlemen, that if we would give more attention to these first things, like all our troubles, the small ones would all recede and be forgotten.

Besides the enlargement of your business and the opportunity of service, to say nothing about enhanced profits as a member of the Federal Reserve System, you would have the privilege of the rediscount at the Federal Reserve Bank, to care for all your needs with your customers engaged in commerce and industry, and with your farmer customers on paper taken for not to exceed six months, representing the actual activity of a farmer in the operation of his business.

The need for enlarging his operation is so great and so immediate that there will be no paper coming to the Federal Reserve System during the next five years that will be regarded as safer, as so fundamentally proper, as this paper. This may mean to you, Mr. Banker, that you will have to change some of your methods in taking this paper. It may be to your advantage to secure his statement to his worth, briefly, in asking

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for credit. It may become necessary for him to attend to his paper more promptly at maturity. It may become necessary for you to change your operations in taking this paper for six months instead of for a year or more or upon demand. But if so, this will be distinctly to your advantage. I have often wondered why it was that State bankers will sit back without any seeming concern, allow their competitor perhaps in the National banking System to align himself with this great parent institution of power and strength and position and go after the business and get it, when he could have the same advantage that every national banker has and under the law all the existing advantages that he may enjoy as a State chartered institution.

To be able to discount your customers' paper by sending the same as you do your cash items to the Federal Reserve Bank in proper form to receive credit immediately. And also where the rates of discount are certainly always advantageous.

I am not making a plea here for the sake of getting business but only of showing up the actual advantages that would be derived. Do you understand that what you would deposit with the Federal Reserve Bank of your District would be an actual reserve upon which you could build credit necessary for your operations and which would never be denied you.

As I stated previously, I believe in the independent relationship that we have and prize as bankers. We can not tolerate a branch bank system as it is hostile to the American idea.

This is one way to fortify your position; to use the Federal Reserve as a reserve and to understand that your loans can be taken to this elder brother in the next room and that you can realize same in cash by taking back with you good Federal Reserve notes.

I appeal to you, gentlemen, to give this question of the privilege of rediscounting in the Federal Reserve System more than serious and careful consideration. I feel you have given it thus far. The profit that you would make surely would take up any slack that you would lose because of the non-payment of interest upon your balance. Again may I remind you that your reserve is not only a reserve for the day of stress, but for increased opportunity. I shall not attempt to argue with you. If experience has not taught you this it will be a waste of time for me to continue.

Again may I inform you that you can ask for currency of the reserve bank ^{or} the branch bank and same will be shipped to you without cost, fully insured and express charges paid. Is that worth anything to you?

It also wish to remind you that you can transfer funds by telegraph, without expense, to any part of the country.

It has been urged that you may be deprived of the exchange which you have been accustomed to on checks sent you for collection. This has been of course a knotty problem, but may I remind you of the wording of the Act, which is explicit and in fact mandatory and under the recent ruling of the Attorney General of the United States the Federal Reserve Bank can do nothing else but to see that the checks coming to it are collected at par and they are not permitted to pay exchange. Your recourse, if any, is to the Congress of the United States, and not in criticism of the Board or Banks.

May I refer you again to Section 15 and ask for your serious consideration and also Section 16.

The Federal Reserve Banks are required under Sections 15 and 16 of the Federal Reserve Act to receive from member banks at par deposits of current funds in lawful money, national bank notes, Federal reserve notes, or checks and drafts, payable upon presentation, and also, for collection, maturing notes and bills. There is a proviso to this section which allows member and non-member banks to make reasonable charges "to be determined and regulated by the Federal Reserve Board, but in no case to exceed 10 cents per \$100 or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise; but no such charges shall be made against the Federal Reserve Bank". The Attorney General of the United States has construed this as meaning that a Federal Reserve Bank cannot legally pay any fee to any member or non-member bank for

the collection and receiptance of a check. It follows therefore that if the Federal Reserve banks are to give the service required of them under the provisions of Section 13 they must in cases where banks refuse to remit for their checks at par, use some other means of collection no matter how expensive.

The action of the various Federal Reserve banks in extending their par lists has met with the approval of the Federal Reserve Board, which holds the view that unless the law should be amended by Congress the Federal Reserve banks must use every effort to collect all bank checks received from member banks, at par.

About 80 per cent of the banks of this country, members and nonmembers, are now upon a par basis. It will not be long before it will be 100 per cent and then I predict that we will be asking ourselves the question "Why didn't we do this before; why did we stand in our own light and step on our own feet on so elementary a proposition?"

Finally, let us have a full understanding of the wonderful opportunities that are before us as business men not only to develop our communities, increase the production upon these farms, to make living conditions happier and our people more contented, but to enlarge our vision as business men, for I am sure that in a few years hence we will find our deposits and our influence doubled and quadrupled because of this larger application and relationship.

You are all familiar with the rules of the Federal Reserve System. They are precise, short and complete and to remind you that while there is criticism here and there, as there always will be,

that you have not seen the national banks scrambling to get out of the system. They fully appreciate its benefits and are reaping them daily while I fear many of our State bankers are sleeping at the switch. It has cost our country a great treasure of blood and money to have won this world war. You have a right to expect the spiritual blessings that will come from this sacrificial effort and we have just as much right to reap any economic rewards that may come. Let us have an appreciation in our conduct as stewards of the people's money for this heritage.

A short time ago I went with my children to the great Congressional Library at Washington, the most beautiful building in all the world. Some great heart and mind has caused to be chiseled on marble short mottoes to be treasured and never to be erased. One, my child wrote down, to my great pride, which I would like to pass on to you as a thought worth your note. This is it: "We taste the spices of Arabia; yet never feel the scorch of the sun that brought them forth."

Indeed it has cost much to make this Republic. The men of the Revolutionary and of the Civil Wars and of the great World War have felt the heat of the sun, they have paid the price. To you and your children will be the blessing of ever tasting the fruit. Let us be worthy of this heritage.