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REMARKS OF HON. J. K. VARDAMAN before the Annual Convention of  
the Alabama Bankers Association, May 16, 1946.

MR. VARDAMAN:

MR. PRESIDENT, AND GENTLEMEN:

For this opportunity to meet again with Alabama bankers I am sincerely grateful. It has been about twelve years since I was here. During that time a great many changes have taken place in your personnel, and I find that I know comparatively few of you personally. However, I look forward to quite a few years of helpful association with you, and I hope eventually to meet and know each one of you.

Mr. President: I have no rousing message or clarion call this morning. I come rather as a pilgrim seeking knowledge and guidance. I am a new man on an old job, and for me this is a period of listening, of observation and of study. I have a great deal to learn and I have come to the source to learn it, - the most authoritative source available to me, and that is you bankers, your directors and your business associates. By maintaining close contact with you I hope in my official capacity to reflect the consensus of the best available thought, and in that way make my small pro rata contribution to the perpetuation of a system which has done such splendid work in the past.

I am fortunate in coming from six years of purely destructive activity to become a small cog in the biggest wheel in probably the most constructive influence outside of the Churches in our modern life, and that is the Federal Reserve Banking System, which is the biggest wheel, as I say, in the

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financial and monetary machinery of our government.

For all that its critics will say, the Federal Reserve System has done a splendid job, and in my desire to contact you personally and reflect your thoughts, I am no different from the other five members of our Board, - all deeply sincere men, extremely able men, and men who are there to serve you as best they know.

There are other cogs in this financial and monetary structure which are just as important, to my mind, as the Federal Reserve Board and the Federal Reserve Banks. We have the Secretary of the Treasury with the Comptroller of the Currency. We have the F.D.I.C. We have various loan agencies. And, most important of all, we have forty-eight state banking systems, privately operated, independent units. Those banking systems, - you individual unit banks - may well be termed the infantry of the financial brigade in the army of private enterprise. America may thank its stars every night for the small town independent, hard-headed, stubborn country banker. I hope that we can carry on always in a way which will make his business profitable and make it worth his while to stand in the bulwark of private enterprise and privately owned banking. (Applause)

I hope eventually that most banks will become members of the Federal Reserve System. You will when it is to your interest to do so, and not before. Therefore, it should be the aim of the Federal Reserve System to make its facilities so attractive to you that you will want to join; that it is profitable for you to join. There will always be some banks which cannot join, which probably should not be members of the Federal Reserve System. But until you

do join of your own free will, and as long as there are banks which should not join, so far as I am individually concerned, you are entitled to the help, to the respect, and to the whole-hearted cooperation, not only of the Federal Reserve, the F.D.I.C. and the Treasury, but of every other government agency.

Gentlemen, this is the second stop in a tour which is going to take me some five thousand miles, visiting four State Conventions, three Federal Reserve Banks and numerous branches, and I hope to talk personally to hundreds of private bankers and business men. I would like, - and I am sure I express the opinion of the Board of Governors, - I would like for every banker and every business man in this country to feel that he is just as close to the Federal Reserve Board as his telephone. The best service we can render you and render this Government is to express a consensus of the best thought as it is expressed to us. Washington has talked to the people of the United States long enough without the people of the United States talking back. If you don't make yourself heard -- if you don't become articulate, then you can't expect to maintain private enterprise as we have known it in the past.

I hope when you are in Washington you will be kind enough to let me contact you. If I can show you any courtesies I will be glad, but that is not the idea. I want your advice. I need your advice. You can get it to us through your local banker or through your congressman. It is your Government. If you don't do something about it somebody is going to take it away from you. And, above all, again I want to pay my respects to that independent operator the small-town country banker. He is the focal point of private enterprise in America. Keep him going!