

FROM:
THE AMERICAN BANKERS ASSOCIATION
THE NEWS BUREAU

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A.I.B. Convention Headquarters
Room 422, Dinkler Plaza Hotel
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MESSAGE FROM THE A.B.A.

Remarks of M. Monroe Kimbrel, Vice President, The American Bankers Association, before the First Business Session of the 60th Annual Convention of the American Institute of Banking, Dinkler Plaza Hotel, Atlanta, Georgia, Monday Morning, May 28, 1962. Mr. Kimbrel is chairman of the board of the First National Bank, Thomson, Georgia. The A.I.B. is the educational section of the A.B.A.

Welcome to Atlanta. When Marshall Tyndall invited me to come here and say a few words of greeting, I felt that I would be tarnishing the image of southern hospitality if I refused. But another reason why I was anxious to join this group of banker-educators is that it gives me a chance to talk about one of my favorite subjects--Georgia.

As you know, many changes are taking place across the nation. The 1960 census revealed, or perhaps I should say verified general opinions, that our population was not only growing but it was going through some rather far-reaching changes.

These changes are making their weight felt throughout the whole economy of Georgia. For example, the population studies show that in 1940, 34 out of every 100 workers employed in the state of Georgia were engaged in farming. The 1960 census figures indicated that the percentage had dropped to 8.2. During the same 20 years, the number of professional, technical, and managerial jobs increased from 10.7 to 16.8 per cent of the total employed. The number of craftsmen and operatives has increased from one-fifth to one-third of the work force.

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As I said, these changes and figures are for Georgia. But you all know that similar changes are taking place across the country. These changes in the occupational structure are going to demand many changes in banking services. New industries, new products, new processes will give rise to new needs. We will have a big job to do just keeping up with the changes as they occur. But I don't think just barely keeping up with changes is enough. We in banking should be in a position to see trends, to anticipate changes, to show imagination. Our whole free enterprise system is based on the principle of finding a need and filling it. If bankers of the future are going to be able to do this, they are going to have to know a lot more about banking and economics than we have been able to get by with in the past.

For this reason, I am firmly convinced that the biggest problem facing banking now and the biggest problem that will face banking over the next decades will be banking education.

As you can see, my feelings about the work that you people are engaged in run rather deep.

The need for education will permeate all levels of a bank's organization from the president or chairman down to the tellers and bookkeepers. The function of the American Institute of Banking is basic to this need, for each year 150,000 young people enter the banking industry. I think it would be safe to estimate that 90 per cent of these people are right out of high school. They need, in addition to basic education in accounting and banking, an orientation program about this industry in which we are engaged. Few of them ever had any dealings or business with a bank before they joined a bank. Unlike other industries, banking does not have products to show. We sell an intangible thing called service, and many young people in high school are not interested in taking the time to learn anything about banking.

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A.I.B. courses, in many cases, are the first exposure to our economic system that these young people encounter. It is therefore important for two main reasons: First, if they understand the economic system and the banking industry's role in the system, they will gain a better appreciation of banking. It might make the difference between a career employee and one who decides to look elsewhere for a job. Secondly, and just as important in my way of thinking, is that most of our high school students do not learn anything about economics. Those who do work for a bank for a short time and learn something about economics through A.I.B. will make better citizens regardless of what they do after they leave banking.

In this day and age when businessmen and thinking citizens bemoan the fact that our economic illiteracy rate is staggering, A.I.B. should take justifiable pride in the work it is doing to broaden the understanding of economics.

As you may know, the American Institute of Banking is the largest adult education program in the world serving a particular industry. Banking is indeed indebted to you who keep this institution and its many fine programs running smoothly. I have not said as much as I would like to say about A.I.B., but I don't want to infringe on the area of other speakers. I would however, like to take another minute or two to discuss some of the plans that are now taking shape for the celebration of banking's centennial during 1963.

The first point I want to make will be of particular interest to you. The American Institute of Banking's officers have authorized me to announce that the subject for the National Public Speaking Contest for 1963 will be "Progress Through Service: A Century of Commercial Banking." This is the theme of the Centennial celebration.

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A.I.B. has also announced plans to cooperate with the Centennial Commission in many other ways, and I am sure you will all be hearing about them in the next few months.

The Centennial observance--a year-long celebration--will mark the 100th anniversary of the signing of the National Bank Act, commonly referred to as the National Currency Act. The Act was signed February 25, 1863, by Abraham Lincoln. It marked the beginning of the dual system of both federal and state-chartered banks in this country.

We feel the Centennial will give us the greatest opportunity we have ever had to tell the story of our banking system to the American people.

The Centennial Commission of The American Bankers Association has been working on many phases of the celebration, and I would like to describe some of them to you.

To start off the events of 1963, the Commission expects that President Kennedy will issue a proclamation declaring 1963 the Centennial Year of American Commercial Banking. Many state associations will request similar proclamations from state governors and from mayors in all cities.

Throughout the year an intensive publicity campaign will be conducted on a national level. The campaign will include all major media--newspapers, magazines, radio, and television.

The A.B.A. Public Relations Committee will produce a 16mm motion picture depicting the growth of the nation in the past 100 years and showing how commercial banks played a leading role in that growth. Banks may rent or purchase the film.

A 250-page hard-cover book--tentatively entitled "The Story of American Banking"--will be released early next year. The book is being written by Dr. Paul Trescott of Kenyon College, Gambier, Ohio, on a grant from the Centennial

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Commission. Banks which have contributed to the Centennial will receive a copy of the book, and they will be able to order additional copies at a very low cost for distribution to schools, libraries, and customers.

In addition to the hard-cover book, a short booklet--50 to 100 pages--is being written by John Cooley, former senior associate editor of "Banking" magazine and a frequent contributor to the A.I.B. Bulletin. This booklet, also dealing with the history of banking, will be available for mass distribution.

These are just a few of the activities designed to meet the four objectives of the Centennial observance. The four objectives are: (1) to commemorate the 100th anniversary of commercial banking, (2) to focus nationwide attention on the Centennial observance, (3) to point out the services that commercial banks render, and (4) to develop a greater appreciation of the role of the commercial banking industry in the economy.

The theme of the Centennial, as I said earlier, is "Progress Through Service." This theme gives us a chance to highlight the progress banking has made and also a chance to explain to the public the variety of services available to them at a commercial bank.

Over 8,000 banks have pledged their support to the Centennial by contributing \$180,000. These contributions were based on a modest formula of \$1 per \$1-million of deposits. I am sure that all banks will want to take part in this celebration.

Many state associations have already organized Centennial committees to disseminate information and to organize the states' plans for the Centennial observance, and banks across the country are now working on ways to tie in their own stories to the national campaign.

To help banks with such plans, the Centennial Commission is preparing a Centennial Information Kit which will contain sample speeches, news releases,

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radio-TV scripts, and a list of suggested ideas and activities. This will be mailed in the fall.

I am sure that each of you will be hearing a lot more about the Centennial as additional plans are completed. In the meantime, I urge any of you who have not yet started making your own arrangements to begin making plans now so your bank can reap the full benefits of your Centennial. The national campaign can help; but in the last analysis, your local and state efforts will determine how successful the anniversary celebration turns out.

I hope you enjoy your visit here in Georgia; judging from the turnout and enthusiasm, I feel confident A.I.B. will continue to make a vital contribution to the banking industry.

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