

It is indeed a pleasure for me to join you here this evening. Part of the pleasure, I must admit, is because this meeting is being held here in Augusta and I didn't have to travel half way across the country to get here. As some of you are aware, this is the busiest time of the year for the individual holding the presidency of The American Bankers Association. It is the convention season for bankers across the country. In fact, during the next four weeks, I will address ~~fx~~ 12 different banking groups in 12 different states. Although I will be frank to admit it will do wonders for my geography -- much to the delight of some of my former teachers -- it does keep a person moving. So you can see this opportunity to meet with you right in my own back yard is a very welcome change of pace.

As you know, the year 1963 is the Centennial year of our dual banking system. It is being observed on the national, state and local level. Proclamations officially designating the year as the centennial year have been issued by the President of the United States and by Governors and mayors across the country. It was my fortunate experience a few months ago to participate in a ceremony with Governor Sanders before the Georgia General Assembly. The main purpose of the special session of the assembly was to recognize the centennial of the dual commercial banking system.

The proclamations and other centennial activities, such as the Symposium on Economic Growth held in Washington on the 100th anniversary of the signing of the National Currency Act, have all been effective in focusing the public's attention on the commercial banking system of **this**

(More)

country.

But many of these activities do nothing more than that -- they attract the public's attention and interest. This, of course, is important. Some of you may have heard the story of the farmer who went to an auction and bought a mule. The man who sold the mule told the farmer that it was a good, strong, healthy animal and that if the farmer treated him kindly, the mule would do good work for him for many years. Well, the farmer took the mule home and gave him a good stable and gave him plenty to eat. But the farmer discovered that when it came time to put the mule to work, he wasn't very successful. The mule just wouldn't budge. He tried everything he could think of but the farmer couldn't get the mule to do a thing. So the farmer called the former owner and asked him to come and look at the mule. The farmer thought maybe the mule was sick. When the former owner arrived, the farmer took him to the stable and tried again to get the mule to move. When the farmer was unsuccessful, the former owner picked up a two-by-four and cracked the mule across the nose. The farmer said, "But I thought you told me that I had to treat him with kindness?" The ~~former owner~~ <sup>other man</sup> replied, "You do, but you have to get his attention first."

In this respect, the proclamations, the ads that have been published, the balloons and poster displays have been highly successful. Public attention has been focused on the banking industry. But in the last analysis, these activities are only the starting point for a successful centennial observance.

(More)

The real meaning and impact of the Centennial must be weighed in terms of its permanent contribution to the public's understanding of the commercial banking industry and the role it plays in the nation's economy. At the same time, it should meet the objective of increasing the public's knowledge of banking services.

It has been proven time and again that the more an individual knows about an industry, the more favorable his opinion of that industry will be.

Therefore, as I see it, the main task or purpose of the Centennial is public education.

How does the Centennial program score on this point? I am happy to say that it is doing much better than we had any <sup>right</sup> ~~hope~~ to expect early in the formative stages of the Centennial program.

Consider some of these elements of more than passing interest. "Financing American Enterprise," the story of commercial banking by Professor Paul Trescott of Kenyon College in Ohio. This book about the history of banking in the United States was written by Dr. Trescott on a grant from the Centennial Commission. It has been hailed by many as an outstanding contribution to the field of banking history. Moreover, the book is written in a lively style, and the examples selected to show how banks participated in the development of many emerging industries, are dramatic.

When the commission was first considering the book it decided that it would purchase about 8,000 for distribution to banks which participated in the Centennial program. However, when the book reached the

(More)

final stages, the Commission decided that since it was such an excellent contribution to the field of banking literature, that 15,000 copies should be ordered so it could be distributed to college teachers of money and banking. The book was also distributed to members of Congress.

After the 15,000 were gone, the Commission ordered another 3,000 which also went quickly. Another printing is now being considered. All of these copies distributed by the A.B.A. have been to banks or professors. The book, of course, is being sold in bookstores across the country by the publisher -- Harper and Rowe. Although figures were not yet available, preliminary indications are that the book is being well received for a book of this type.

The book, of course, is the best example of something of a lasting benefit coming from the Centennial. However, there are many other aspects of the observance that will leave lasting impressions.

The booklet -- "HOW BANKS HELP" -- by John Cooney, a former associate editor of Banking Magazine and a long-time contributor to the A.I.B. Bulletin, has been received very enthusiastically by banks across the country. The booklet, which explains in a very readable fashion how bank services have evolved over the years, is being used as a giveaway item in bank lobbies. To date, over 400,000 copies of the booklet have been purchased by banks. The Centennial Commission is now planning on another printing of it and the commission expects the final distribution ~~of~~ to be well over the half-million mark. The readership of such booklets, of course, is much greater than the number distributed because it is the type of thing that people show to other members of their family or to friends.

The film, "Banking in Action," is another item in the Centennial inventory that is valuable because of its educational merits. During the

first three months after the film was completed, over 300 copies were sold. This, incidentally, is by far the best reception of any of the 10 films produced by the A.B.A..

It is difficult to estimate how many Americans will see the film. In addition to showings in schools, clubs, and service meetings, it is also being used on public service television across the country. More importantly, the film, although it covers the Centennial, can be used long after the Centennial year ends.

Probably one of the most effective means of telling banking's story to the public during this Centennial year is through the use of newspaper supplements. Although the A.B.A. has not been able to get an accurate judging from samples received and from requests for special materials on banking subjects, the Commission estimates that 500 newspapers across the country have published or plan to publish special supplements or special sections on banking during the year.

Some of you might have seen the special supplement that appeared with the April 28th edition of the New York Times. The Sunday Times has a circulation of 1.3 million across the country. The special supplement which went with it ran 24 pages -- about 50 per cent of the space was devoted to stories about bank services and how they have been improved down through the years.

These supplements being published across the country will reach millions of readers. To some of them, the information will be completely new. To others the articles might suggest additional services the individual could use. For some, the stories will throw light on the vital

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function the banking industry serves in providing the money and credit to keep the economy moving on an even keel. But for every reader who glances through the feature stories, the reward will be a better **understanding** -- and as I mentioned earlier, a more favorable impression -- of banking and bankers.

This program of public education is not new. Since the end of World War II, banks have been striving to give the public more information about their services. The Centennial is an excellent vehicle for increasing this flow of information.

Naturally, the more that is said and read, the more the educational process is effective. That was why the Centennial Kit, which was sent to all banks, contained a set of six speeches about the history of banking and the wide range of services offered by banks today. These speeches are being adapted to local conditions and being given in service clubs and local meetings all over the country. The repetitive effect -- similar to the philosophy behind advertising -- should be useful in helping people to retain more information about banking.

In August the A.B.A. will make its second big Centennial mailing to the nation's banks. This mailing will be a kit for use by banks in their school relations programs. The kit will contain **six** items:

1. THE STORY OF COMMERCIAL BANKING, the first item, is a 45-page booklet for senior high schools telling how banking developed in the United States and describing its contribution to the growth of the economy.
2. THE STORY OF THE DOLLAR. A cartoon booklet, designed for **the junior high school level**, describes what the dollar is and how our

(More)

currency and coinage developed ~~in the United States~~ over the past 160 years.

3. VINNY AND BILLY is the name of a 20-page cartoon story on thrift designed for use in the third grade.

4. A consumer credit booklet, published by the Public Affairs Committee, Inc. which tells about the sources and uses of instalment credit. It also discusses how consumers can use credit wisely. This book can be used in schools or by civic groups.

5. USING BANK SERVICES, a booklet for both junior and senior high schools, which describes the various services performed by commercial banks for consumers, business, government, and the farmer. It ~~also~~ <sup>also</sup> explains such fundamentals as ~~is~~ how to write a check, how to use safe deposit boxes, how to borrow money and many other basic procedures associated with bank services.

The sixth item in the kit will be a copy of the booklet -- TOMORROW'S CUSTOMERS TODAY -- which is a 35-page how-to-do-it manual on bank school relations.

These booklets, if put to use in the schools, can make lasting impressions on the young people because in most cases this literature represents their first exposure to banking.

Another lasting benefit resulting from the Centennial is the stimulation it has provided for bank employees to learn more about their own institutions and their own industry.

The American Institute of Banking has made a great contribution in this area by selecting the Centennial theme as the topic of A.I.B. debate for this year. The Institute has also incorporated the Centennial

(More)

into many other activities and courses of instruction. This can be extremely helpful in generating pride in the banking industry.

As my remarks have indicated, I am firmly convinced that the Centennial observance is providing the banking industry with the best opportunity it has ever had to get its story before a wide range of audiences in a variety of ways. I am also confident that many of the practices being developed and used by banks in connection with the Centennial will continue to be used by the banks for years to come. In fact, in my opinion, if the Centennial does nothing more than encourage 100 or so of the nation's banks to launch educational programs, I would consider the total ~~most~~ of the Centennial observance to be money well spent.

Before closing, I want to take this opportunity to ~~tell~~ you what a tremendous job you have been doing for banking. This business of ours is growing more complicated every day and <sup>The</sup> need for qualified personnel at all levels in the banks is getting more and more intense.

Management succession is probably the biggest problem facing the nation's small banks. They do not, in many cases, have experienced and trained personnel coming along to fill the shoes of the top men. Other banks find that they must train specialists in the fields of consumer finance, international banking, mortgage lending, automation and a dozen other fields. The A.B.A. is trying to meet these needs through a variety of special schools, workshops, conferences, and special courses.

This year, for example, the A.B.A. will start a school in mortgage lending. Last month the executive council gave final approval

(More)



to plans for a consumer credit school. In a few weeks, the second national personnel conference will be held in Chicago. The first automation conference is scheduled for next fall. Many other educational activities have been upgraded. All of these moves have been made to strengthen banking education to help banks improve the quality of the performance by **their** personnel.

But the fundamental role of providing the broad and basic education to those in banking still rests with A.I.B.. By teaching the essential subjects to the broadest possible student body, you are laying the groundwork that is a ~~m~~ must if bankers are to progress to any of the specialized educational activities. Then too, the broad fundamental subjects covered in A.I.B. courses provide the background that is a keystone to training programs carried on within banks.

I am confident that groups as eager and enterprising as this one in almost every major city in the nation will continue to fill one of **the** vital needs of the banking industry in years to come. Thank **you,**

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