Eighth Annual Dinner
Lebanon County Chapter
American Institute of Banking

LEBANON COUNTRY CLUB

Friday, April 21, 1944
MENU

GRAPEFRUIT

ROLLS BUTTER

 Fried Chicken

New Potatoes

Peas CARROT and APPLE SALAD

Ice Cream CAKE

Coffee
PROGRAM

DINNER—6:30 P. M.

AMERICA

INVOCATION ...... Rev. Paul H. Sheffer
Pastor, St. Luke's Lutheran Church
Schaefferstown, Pa.

ENTERTAINMENT .... Military Personnel
Indiantown Gap

GUEST SPEAKER ...... Dr. Karl R. Bopp
Research Director, Federal Reserve Bank

PRESIDING ............... A. E. Warner
President, Lebanon County Chapter
American Institute of Banking

DANCING

TO

VAL BASHORE and HIS ORCHESTRA
Lebanon County Chapter
Administration Officers

A. E. Warner  President
First National Bank, Schaefferstown, Pa.

Richard P. Zimmerman  Vice President
North Side Bank, Lebanon, Pa.

Margaret Papson  Secretary
North Side Bank, Lebanon, Pa.

Paul G. Spangler  Treasurer
Farmers Trust Co., Lebanon, Pa.

BOARD OF GOVERNORS

Robert D. Womer—1944—Lebanon County Trust Co.
Ralph E. Speck—1946—Jonestown Bank & Trust Co.
Lebanon County Chapter

il. I B.

Friday April 21, 1944
From War to Peace with Banks

I. Introduction:
   A. We must know where we want to go
      1. Alice and the Cheshire Puss.
   B. We must prepare to get there
      1. Preparation must be proper
         a. Maginot minds won't help
         b. "He might as well have et."
      2. Preparation must be in time
         - not too little and too late
         a. Incident at an outpost
         b. What if Hitler surrendered tomorrow?
   C. Unique position of banking
      1. Enormous expansion during war

<table>
<thead>
<tr>
<th>U.S. member banks</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1939</td>
</tr>
<tr>
<td>Loans &amp; investments</td>
<td>34</td>
</tr>
<tr>
<td>Governments</td>
<td>14</td>
</tr>
<tr>
<td>Demand deposits</td>
<td>26</td>
</tr>
</tbody>
</table>

Not as large as shipbuilding, aircraft, but very large

2. No prospect of serious post-war decline.
I. The American war record.
   A. The armed services
   B. Industry
      1. Early mention of sacrifices
      2. Accomplishments
         "I see you are able to get beef"
         "Yes, and we finds we likes it."

Industrial production for war and civilians

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Civilian</th>
<th>War</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932</td>
<td>58</td>
<td>58</td>
<td>0</td>
</tr>
<tr>
<td>1935-1939</td>
<td>100</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>July 1940</td>
<td>123</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec. 1943</td>
<td>245</td>
<td>75</td>
<td>170</td>
</tr>
</tbody>
</table>

C. Finance
   from ¼ to 1/3 in taxes

Ownership of U. S. Government Securities

<table>
<thead>
<tr>
<th></th>
<th>Amount held Dec. 31, '43</th>
<th>Increase in holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bank</td>
<td>1943</td>
</tr>
<tr>
<td>Banks</td>
<td>72.1</td>
<td>24.6</td>
</tr>
<tr>
<td>Nonbanks</td>
<td>96.6</td>
<td>32.5</td>
</tr>
<tr>
<td>Total</td>
<td>168.7</td>
<td>57.1</td>
</tr>
</tbody>
</table>
III. Problems of reconversion
   A. Demobilization
   B. Industrial reconversion
      1. Moving gov't work out of plants
      2. Termination
      3. Speedy settlement
      4. Disposition of govt. property
   C. Long run problem
      1. to achieve high level of productive employment

<table>
<thead>
<tr>
<th>Year</th>
<th>Civilian Labor force</th>
<th>Employed</th>
<th>Armed</th>
<th>Unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932</td>
<td>50.9</td>
<td>37.3</td>
<td>.3</td>
<td>13.6</td>
</tr>
<tr>
<td>1939</td>
<td>54.6</td>
<td>44.2</td>
<td>.4</td>
<td>10.4</td>
</tr>
<tr>
<td>1942</td>
<td>54.5</td>
<td>51.9</td>
<td>4.2</td>
<td>2.6</td>
</tr>
<tr>
<td>194X</td>
<td>57.5</td>
<td>55.5</td>
<td>1.9</td>
<td>2.0</td>
</tr>
</tbody>
</table>

2. A war vs a peace economy: markets

3. Production creates markets the "hitch"

4. Individual company approach
IV. The problems of banks

1. Function of banks
   a. protect depositors
   b. extend credit where justified
   c. earn profits

2. Volume and ownership of deposits
   a. Relation of individual bank to system
   b. Individual peculiarities
   c. Analyze deposit ownership at your bank

3. Loan opportunities
   a. Agricultural loans
   b. Personal and instalment loans
   c. Merchant loans
   d. Industrial loans
   e. Utility company loans
   f. Transportation company loans

4. The capital problem
   a. Reserves against risks

5. Government bond and investment policy
   a. Importance of maturity policy
      adjustment to individual needs
      higher rates "just around the corner?"