

"ACHIEVEMENT"

Address by

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ACHIEVEMENT

It is a pleasure and a privilege to have a part in the deliberations of this convention, for the purpose of the deliberations is achievement, achievement in the banking world. You would not be present here today if it were not your desire to accomplish things and thereby win a patent of nobility.

Whenever and wherever in the dim distant past the first king was crowned, it was the result of achievement. Those around him who had demonstrated leadership were his nobles, and as it is natural for fathers to take care of children, the heirs to the fathers' land became heirs to their titles and therefore great by birth. However, from time to time there arose others who through achievement forced recognition and to these the sovereign gave patents of nobility.

In such an established order, long continued, it was in accordance with experience for Shakespeare in writing "Twelfth Night" about 1601 to say: "Some are born great. Some achieve greatness."

However, "the old order changeth, yielding place to new" and today we have the situation clearly stated by Woodrow Wilson:

"Achievement has come to be the only real patent of nobility in the modern world."

Therefore, what is our attitude towards achievement? If we are lazy, we are just hoping that an opportunity will occur. When others achieve, we are liable to say "I wish I had his opportunity." Are we able to see an opportunity when it is presented? Do we fool ourselves with the idea that opportunities just occur and can not be made? It certainly is a tragedy when an opportunity presents itself and can not be taken advantage of. However, one should not be even discouraged by this, but should learn from it to take advantage of the next opportunity that presents itself, for in every life there is more than one opportunity.

There is just one way to achieve and that is to be prepared, prepared to seize an opportunity, to take advantage of an opportunity or to make an opportunity. As we are all really making our living out of banking, to be prepared for achievement we must do at least two things - study our day's work, that is, get experience, and study books on banking.

Experience is the best teacher, but a man does not live long enough to learn what is necessary in these modern times in this way. In banking, as in other things, he must supplement what he is learning while earning a living by getting book experience of many men in different phases of banking classified in such shape that he may learn from those who have gone before. The ideal training is experience and books. Only in that way can the modern bank employee be properly prepared. He may have all the experience in the world in a teller's cage but know practically nothing about credits and discounts. If he expects to be an officer he should know about all the departments of the bank. If he gets all of his training from experience he is liable to make mistakes that he could have avoided had he been able to learn from a book the experiences of other men. On the other hand, the man who has only the training given by books can propound a wonderful theory and find to his sorrow that it will not work. If it is just confined to himself it is not so bad, but if it involves others it is extremely unfortunate. Benjamin Franklin said that "I know a man who could call a horse in nine languages, but when he went to make a journey bought a cow." A man getting all of his knowledge of horses and cows from books doubtless worked out what he considered a sound theory for his journey. The horse could go faster - the book said so. However, the book said that cows in some countries were used to carry a burden and he learned that the cow gave milk. He therefore worked it out that on his particular journey food was more necessary than speed and doubtless thought he could save money by riding a cow and getting milk for his meals. There have been theories even in the financial field thoroughly as fantastic as this.

An ideal way to get training in banking is to study what you are doing while you are making a living and supplement such study by the reading of books on banking. The necessity of the combination of experience and books resulted in the founding of the American Institute of Banking, a great achievement. History shows that the need results in the discovery of the means. The American Institute of Banking came into being along exactly the same lines as other universities came into existence.

The earliest universities were not founded - they "just grew" to meet a need. Bologna, in Medieval times the meeting point of chief routes of communication in Northern Italy, was convenient, so young men gathered there for instruction. Then, in order to protect themselves from the tradesmen of the town, they formed themselves into a gild of a kind already common in Italian cities. In this way they were able to regulate the rents of their rooms and the prices of their books and, having thus proved their power, they formulated terms for the professors, who were dependent, at first anyhow, upon the fees of their pupils. They required among other things that "a professor not be absent without leave even a single day and if he desired to leave town he had to make a deposit to insure his return. If he failed to secure an audience of five for a regular lecture he was fined as if absent. He must begin with the bell and quit within one minute after the bell. He was obliged to cover ground systematically, so much in each specific term of the year," and so for a time at least the student body ruled the town and the faculty. However, the man who had the knowledge to teach was a professor, so the professors, learning a lesson from their students, in time formed a gild of their own and thus combining would not teach anyone unless he passed an entrance examination, and as no one could teach unless he had received a professor's license, the student, even though he did not expect to teach, sought this license and when he received it had his degree.

The University of Oxford is composed of a number of different colleges,

different colleges and when they have finished the course are examined and given a degree by the University. So it is with the American Institute of Banking. The chapter in each of the different cities is in effect the same as a college and when the course is finished the Standard Certificate is granted by the National organization of which each chapter college is a part. As the necessity for post graduate work developed, the Graduate School of Banking was established. It is in this American development of the college plan that you have the privilege of being prepared for the opportunity and, in fact, prepared for making the opportunity. It was Bacon who said "A man makes more opportunities than he gets."

The first step, however, towards achievement is to seize the opportunity to become prepared. This means self-control, sacrifice and hard work. It is easy to sit in a chair on a summer night and look at the moon and dream that you have become experienced and in a dream on a moonbeam ride to the star that you want to reach, but when the dream is over, you are still sitting in the chair. It is all right to dream a dream, but it is necessary that you go through the monotony and the hard work necessary to accomplish results. There may be those who think that they can get something for nothing, but they are badly mistaken. The unromantic fact is that you pay for what you get.

Civilization has passed from the era of barter through the era of money, until we are now living in the era of credit. Not to be strangled by the complexities of the web of banking, a man must be educated in banking. Wherever there has been a bank without a banker, the institution has come to grief.

The qualities of a banker are honesty, judgment and system.

Honesty is fundamental and it should be inherent honesty based on duty to God, to self and to fellowman. It should not be just an honesty kept honest by fear of being found out. Such an honesty is of the type that is liable to prove dishonest. It should be an honesty not only in regard to the present transaction, but to its

motives and the probable results, an honesty that merits confidence and inspires confidence.

However, an honest banker without judgment can bring disaster to his bank. Good judgment is necessary. And, especially in these modern days, judgment to be good must be based on knowledge not only of local conditions but of country-wide and world-wide conditions. In brief, a banker's judgment must not just be based on common sense, but it must be educated common sense.

System also is essential. The records must be kept in such a way that at any time the condition of the bank is disclosed. And, further than that, each note in the bill case should have with it full information showing the reason for the credit. Too often there is no system in regard to the bill case at all. I am speaking from experience when I say to you that I have seen not just one or two but many good banks needing money present a note to the Federal Reserve Bank or to some correspondent without any supporting data, or in such shape that only the man who made the loan at the local bank could tell what it meant. I have even seen loans on real estate where the certificate of title did not show that the man who made the loan owned the property, the banker explaining that he was certain the man owned it, the recorder's office was not very far away, and he could verify the record whenever it was necessary.

As for honesty, that is not only a priceless inheritance, but, human nature being what it is, has to be assiduously trained and cultivated, not only in the home but throughout life. That is largely within the province of the home and the church.

Banking judgment and system are gained through schooling in the banking field. The school that has been developed in response to apparent need is the banking university which we know as the American Institute of Banking. In that school we are able to study our day's work and after hours get into the broader realm of banking through books and instruction. The man who gets a Standard

Certificate which shows that he has brought his American Institute of Banking studies to a successful conclusion can know that he has won achievement.

Take the employee on the transit desk. He may be just a machine, assorting and listing checks, and he may be a good machine, able to handle as many items accurately as any of his fellows. If he stops, however, with that routine he is just a machine. If he is studying his day's work he will know the significance of the endorsements on the checks, where they originate, something of the transactions, perhaps in an indefinite way it is true, which brought the checks into existence. He will also be thinking if there is any improvement that can be introduced into the day's mechanics. This should not slow him up in his work. When the day's work is over, the questions that have arisen in his mind he can discuss with some other employee and when he gets in the classroom can discuss them with his instructor. He is learning to think as well as to work and is prepared for the opportunity to take on more important duties than those of the transit desk. He becomes a thinking unit instead of a machine unit in the organization.

I wonder how many of us can read intelligently the financial page of our daily paper. The local paper in the small town does not have much financial news, but in these days in the small town you have access to some metropolitan paper that pays some attention to such news. You, of course, can read the words, but do you really understand the meaning? If the discount rate of a Federal reserve bank is mentioned as being increased or decreased, are you able to formulate an opinion as to the reason for the change? Do the items in the Federal reserve bank statement mean anything more to you than figures, and if someone writes an article on the trend of interest rates, are you able to follow the argument intelligently so as on logical grounds to agree or disagree with the writer? When you find a little squib giving the relationship of the English pound sterling and the French franc to the dollar, do you realize what that possibly means in terms of export and import of commodities? Have you a vague idea or an intelligent one in regard to the meaning

of inflation, deflation and recovery? Do you really know the difference between money and credit? I may say parenthetically that if you do, your knowledge is greater than that of some who have made a great deal of noise from the public platform.

In these modern days the quickness of transportation and communication have, as it were, turned the world into a county, and in order to do business in the county the intelligent banker should be familiar with the monetary manifestations of production, manufacture and distribution, and supply and demand. In order to do this, it requires a high degree of training and continuous study on the part of the banker.

While in the individual bank and in the larger banking field there is no dearth of opportunity to achieve, there is a dearth of men prepared to take the opportunity. Good, trained men are in demand and while sometimes you may be discouraged by the waiting, if you really have trained ability, the opportunity is most liable to come, and come, perhaps, when you are least expecting it.

Study the day's work, take advantage of the book training afforded by the American Institute of Banking. Do not get discouraged but keep from being a machine in your job and you will have the satisfaction of knowing that you are prepared for the opportunity. The chances are that some day when you move up there will be those who say "Isn't he lucky," but you will know that it was preparation, not luck, and you alone perhaps will know how hard and some times discouraging the road was. There, of course, is such a thing as "pull" but it can not get you far. Because a father or an uncle owns a block of stock in a bank you may get a position as vice-president, but unless you are prepared and capable you will just remain a show-place vice president and the man who is prepared, who had no "pull", having traveled along the hard road, will jump the show man and have an active part in running the bank. If the business starts falling off and they have to cut down on expenses, the other man's chair is liable to be vacant. The prepared man's place will continue to be

We are fortunate in living in the greatest democracy of the world. Our forefathers understood that the individual, irrespective of birth, should have every opportunity to achieve. Such a government is our birthright and we must be careful to safeguard it. We should never let a taint from the boiling caldron of European unrest pollute the atmosphere of our democracy.

We must preserve our heritage. We must uphold such achievement for betterment as the American Institute of Banking. Through it we are given an opportunity to accomplish results in banking.

Under such a government and by hard work, each of us has the chance to win a patent of nobility, for in this modern world the only real patent of nobility is achievement.