

I. Joseph and His Brothers

I ARRIVED HOME in May 1912 and had no sooner unpacked my bags than I was sent out on a different sort of mission, this time by my father. Along with his business associates, he had decided to build a hydroelectric power plant at Blacksmith Fork Canyon, located about ten miles south and east of Logan. The job was to be done by an engineering firm on a fixed-fee basis. I was to live at the project site, to manage the funds and see to it that costs were kept to a minimum.

Before I left, my father told me that if I needed extra money as the work progressed, I was to call on all the partners for aid in proportion to their original subscription. The funds for the work were carried in the Hyrum State Bank, Orval W. Adams cashier. Adams was in time to become a president of the American Bankers Association. Yet in 1912 the dwarf size of the Hyrum State Bank can be judged from the fact that the deposit of the hydroelectric project was the largest Adams had ever seen in his bank. Moreover, since it exceeded the total of all other deposits carried in the bank, I became his favorite customer. Twenty-three years later, when I sat at the head of the Federal Reserve Board in Washington and Adams was placed in the line of succession to head the American Bankers Association, he took a less favorable view of my operations.

It was while the work on the power project was under way that I was given my first investment. On a Sunday in late November, during one of my father's periodical trips to Logan, I told him the project needed some money. He gave me two checks, one for \$35,000 and one for \$5,000. The latter, he said, was my investment in the undertaking. As a Scot, my father did

not believe in praising people for doing good work. He seemed to feel it was sinful if they did less than their best. If they did their best, then they were merely obeying God's command to mankind, and there was no need to dress up that obedience with any commendations of his own. I knew, however, that the gift was meant to show his approval for the way I had done my job. Naturally, I was much pleased.

Late at night on December 5, 1912, while in the camp at the project, I was awakened and told that my father had died suddenly. He was only sixty-three. The news left me numb with shock.

The very character of the inheritance he left summarized the economic capabilities of the nineteenth century. Though the entire cash capital of the Mormons in Utah in 1847 has been estimated at about \$3,000, my father's own estate was appraised for state inheritance-tax purposes at more than \$7,000,000. By present-day values, this would be equal to over \$25,000,000. The state tax was five per cent; there was no federal tax.

Its size, however, was not so important as the way it had been built up. It owed nothing to a windfall discovery or development of a rich gold, silver, or copper mine or an oil field, or even to the growth of a giant city. It was built through courage, hard work, self-denial, thrift, and a clear view of the kind of economic development that could succeed in a new area. It was built by the development of lumber operations, sugar factories, coal mines, heavy construction, banking, and utilities.

Two years before my father was born, the sort of economic role he was to play in the western part of America earned this advance comment:

During its rule of scarce one hundred years [the bourgeoisie to which David Eccles belonged] has created more colossal productive forces than have all the preceding generations together. Subjection of nature's forces to man, machinery, steam navigation, railways, electric telegraph, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground—

what earlier century had even a presentiment that such productive forces slumbered in the lap of social labor?

At the end of his life my father would have accepted this praise from the authors of the *Communist Manifesto* without bothering to read any further, just as he accepted the edition of Adam Smith's *Wealth of Nations* that suited his mood and the mood of other men who knew great economic success. I make this guess because he had no ear for the new voices heard in America at the turn of the century—voices that spoke of dangers inherent in the concentration of productive forces in fewer and fewer hands. Though Theodore Roosevelt's *New Nationalism*, Woodrow Wilson's *New Freedom*, and Louis D. Brandeis's *Curse of Bigness* plotted the storm that was to crash on our years with such force, their warnings left my father cold. He had built his works by himself, owned many of them outright, and ran them all in a direct and personal way. He saw no reason why other men could not or should not re-create themselves in his image, providing, of course, they were left free to use their wits and will without governmental interference.

All this I, too, believed until the fortieth year of my life. That is to say, for almost two decades after my father's death I was somehow blind to the shape of the interdependent and industrialized society he, and others like him, helped create. The magic words of his career had been "thrift" and "hard work." They multiplied benefits in his day. I thought they could always do that. It took a general economic collapse to show that "thrift" as it was practiced—quite correctly—in a former epoch, could, in the present one, be a source of great danger to the nation as a whole when practiced in excess. It took this collapse to instruct me in other things:

—That personal security can be had by too few people through individual effort and savings alone.

—That the average person's security is no greater than the stability of the economy in which he is a participant.

—That the contemporary problem is less one of gathering in the forces of production, and more one of providing a steady distribution of the goods and services a superb technology and labor force know how to turn out.

—That unless the income from the national product is currently spent on consumer goods or new investments, either public or private, then deflation is likely to set in.

—That while millions of people and tens of thousands of businesses in our country receive income and decide how to use it, there is no assurance that they will make a sufficient total expenditure to disburse the total income received.

—That the job of warding off trouble in this event is nobody's individual responsibility but everybody's collective responsibility, acting through the organs of our government.

—That the social problem is not whether there would or would not be government planning. In our interdependent economy, planning of some sort was a prerequisite to survival. The problem instead has become one of seeking out ways by which that planning is kept at a minimum so that the talents of each of us will not be squashed by the cumulative weight of all of us.

If I was slow in facing up to the new order of things, the lag was due to an overlap of public and private atmospheric conditions.

As for public atmosphere, most Americans on the eve of the First World War lived in the afterglow of triumphs won by individual initiative and enterprise in cultivating our frontiers. When we were about to see and deal with the pockets of trouble in what had been created, the outbreak of the war cast a pall of smoke over all things. The needs of that war propped up a weakening order, and, in a continuation of the paradox, the devastation of the war and the backlog of demand it caused gave us a postwar boom and a carry-over of support for the uneven prosperity of the twenties.

Taking things as we found them, few of us could see that this

prosperity owed its existence to an excessive expansion of domestic and foreign credits—that total income at high levels of employment did not flow directly or indirectly into the expenditure stream—that demand, without excessive credit, was not sufficient to take off the market what was produced. All seemed well, and we could postpone facing the crisis in Western democratic capitalism (as the outbreak of the Second World War helped us postpone it again, and as the current political and military situation forces us for a third time to look beyond the state of our hearthstones).

While this was the prevailing public atmosphere, a family struggle that began soon after my father's death pulled my attention inward and left little time for reflection on what was happening elsewhere. Inside the family there was tension between the older sons of Bertha Jensen, my father's first wife, and the sons of Ellen Stoddard, my mother. What happened between us is not an uplifting story, but neither is the story of tensions between the sons of Leah and the sons of Rachel in Biblical times. Yet that conflict among half-brothers was part of a complex of things which led me to a public career. I must therefore speak of it now.

At the time of my father's death I had just turned twenty-two. Since the other eight children born to my mother were still minors, I was cast in the role of a steward for our household. Moreover, without any real preparation for the task I was soon pitted against my older half-brothers in disagreements over the management of the varied interests in which we all had a share. In a sense, my father's life cycle was repeated in my own. As poverty had forced him to bypass youth itself, the sudden need I faced to manage wealth also denied me youth. This, plus a later career in the government service, took its toll in an innocent quarter it never should have touched, but nevertheless did.

As to this last:

In June 1913 I went with my mother to New York to greet my bride-to-be on her arrival from Scotland. She was May

Campbell Young, whom I had met at the home of her aunt in Glasgow, where I stayed during the last few months of my tour of duty as a missionary in that city. Though the time spent alone with her there was very limited, the impression of those hours remained with me on my return to Utah. We never talked religion; she was not my convert. A year and a half of correspondence that followed was climaxed by an engagement and a promise that she would be my wife. One month after her arrival we were married.

The hope of a happy life together was fulfilled in the first years of our union. But then the demands of business and later of public affairs cast their shadows between us. I was doubly guilty of neglect, as a husband to her and as a father to our three children. And I find no comfort in noting how often the same sort of thing happened to others in my position, to the sadness of all parties.

After my father's estate was probated, the two oldest sons of Bertha Jensen incorporated the David Eccles Company, representing the one-third interest their mother as the first wife received under Utah law where there was no will, plus the shares inherited by each of her twelve children. This placed in the David Eccles Company a five-sevenths interest in all the properties that formed the estate. At the time this was done, six of the nine children born to my mother were still minors. Great pressure was brought on all of us by my father's former business associates as well as by my half-brothers to keep our shares together in the new company that had been formed.

My uncle, Robert Anderson, who managed the Anderson Lumber Company, was the only person who held a different opinion. Though the newly formed David Eccles Company held forty-three per cent of the stock in his concern, he turned his face against any pressure from that quarter and said to me: "I am sure you can handle the affairs for your family by yourself and much better than can your half-brothers." I was to be forever in his debt for this reassuring word.

The confidence and encouragement given me by my mother was added fortification. She placed full responsibility in my hands to do what I thought was best, and I incorporated the Eccles Investment Company to hold and manage the two-sevenths of my father's estate that the nine children of our family received. Since there was no will, my mother, as the second wife, received nothing by way of a widow's share under Utah law. But in his lifetime my father had given her stocks valued at \$250,000 at the time of his death. These she turned over to the Eccles Investment Company some years later in return for a life annuity. Though it was thought the company would be dissolved when all the children came of age, it has continued to this day by consent of all its original nine members.

My first link with banking business proper was shaped at the age of twenty-three, soon after my father's death. I was made president of the Hyrum State Bank through the efforts of Orval Adams. I was also made a director and vice-president of Thatcher Brothers Banking Company, located in Logan. Although these banks were small ones, with resources of \$250,000 and \$1,000,000, respectively, they were to prove a good training-ground. In later years I was to head the group that brought into being the First Security Corporation, an organization owning and operating twenty-eight banks, whose total resources in 1929 were approximately \$58,000,000. It was and still is by far the largest intermountain banking organization, with present resources of nearly \$300,000,000 and with forty banking offices.

What I learned of business affairs in the years after my father's death made me restive. I was anxious to change many of the policies and patterns being pursued by my older half-brothers and by men who had been my father's business associates; either to do that, or to dispose of the interests I represented in some of the companies.

But the first alternative could not be advanced for several reasons. I was young, inexperienced, and little known to the officers and directors of the various companies in which my fa-

ther had been the dominating influence. Again, I represented only two-sevenths of his interest, while the other five-sevenths were managed by my older half-brothers, who had the advantage of their more mature years and their friendships and past associations with other officers and directors in these companies.

The second alternative promised better results. As time went on, by making exchanges I succeeded in separating the real-estate holdings and blocks of stock in smaller companies owned by the two families and represented by the David Eccles Company and the Eccles Investment Company. This operation centralized managerial responsibilities for the concerns involved, and it also proved to be a very profitable move for the Eccles Investment Company.

In 1919, however, four years after my father's estate had been distributed, the David Eccles Company and the Eccles Investment Company still held their largest stock interest in the same enterprises, such as lumbering, sugar, construction, and banking. And in all these large concerns, while I served as a director in some of them, I still had little say on how things were run. But in 1919 there began a gradual turn-about in the existing state of affairs. The chain that did this had its links formed of dissension within the ranks of the David Eccles Company; of dissension among the other large shareholders in various enterprises; and also of a considerable success the Eccles Investment Company had in a venture of its own that was to help place it in a position of some independent strength.

In 1919 I heard of a pending deal involving the stock of the Sege Milk Products Company, which had a plant in Utah and another one in California. It had been organized by a Maine interest twenty years before and was shared in by local farmers, many of whom supplied milk to the Utah plant, and who also served as its officers and directors. The president of the company, a farmer representing the other farmer interests, came to me at this time and asked whether I—along with the other stockholders—would be interested in selling to some Chicago

people the ten-per-cent interest in the concern held by the Eccles Investment Company. I knew nothing at all about the milk business, but I told him that if the purchase of the Sego Milk Company was good enough for a Chicago concern, it might also be good enough for a Utah interest to buy. The response from the directors was that they would just as soon sell their stock to me as to anyone else.

The president then disclosed that there was a block of stock held by a Mr. Radcliffe, in Los Angeles. Since it represented thirty-three per cent of the total, no one could gain control of the company until he also controlled these shares. This news sent me to Los Angeles the next day, in the hope of getting an option on the purchase of this stock before the Chicago interest got in contact with the owner. At the same time I had another option agreement drawn up, and this one was placed in the hands of my friend and associate Roy Bullen. He was to try to get an option on all the stock held in Utah.

We had agreed that we would pay the same price the Chicago interest was willing to pay for the stock; that everyone would have a chance to sell what he owned; that everyone would be in on the ground floor; and that there would be no commissions. The whole transaction involved some \$900,000, which was a sizable sum in that day for a small local company whose total output was less than half a million cases of milk a year.

On arriving in Los Angeles, I checked in at the Alexandria Hotel, got in contact with Radcliffe, and asked whether he could call on me. When he came to my room, I found him old enough to be my grandfather; but, more important, it was evident that he had not been approached by the Chicago interest. We discussed the milk business in general, which was something of a strain since all I knew about it was what I had read in the financial statement of the milk company. Finally I asked him if at \$30 a share, which amounted to \$300,000 for his holdings, he would consider giving me an option on his stock for at least fifteen days so that I could determine whether I could gain

control of the company. He said he would like to think the matter over and would see me the next morning. I insisted that the deal would have to be closed that night; that he knew the price being offered him was more than the stock was worth; that it was not for trading purposes; and that, moreover, I expected to leave town the next day.

He said he would need a lawyer to draw up the contract, whereupon, as an impetuous young man who presumed to talk about the milk business on the basis of a balance sheet, I told him that a lawyer was not necessary. What we wanted to do was very simple, and we could certainly state it in clear English. Radcliffe must have had some painful dealings with lawyers in the earlier years of his life, because he assented to this. I took a sheet of hotel stationery and wrote our one-page contract in duplicate. We signed it, and I left for Utah the next morning. The contract was perfectly good in every respect.

The transaction completed in Los Angeles was paralleled by Bullen's success in Utah. In three days we had an option to buy control of the milk company. Those who sold us the stock gained a handsome profit. To conserve as much of it as possible under the existing tax law, they agreed to take their payments and profits over a period of five years. This, in turn, was fortunate for the Eccles Investment Company since it avoided the need to pay out lump sums of money. Instead, we made the stock payments largely out of the dividends we received from the milk company.

During the five years we owned the concern, our accumulated earnings after taxes and depreciation were approximately one million dollars. At the end of this period we were to benefit from another development. To justify its national advertising, the Pet Milk Company of St. Louis for some time sought a national distribution of its products. It had not pierced the territory west of the Rocky Mountains, this being the area where the Sege Milk Products Company centered its operations. Hence

the Pet Milk Company approached us with a purchase offer. Negotiations lasting a number of months came to a head when the Pet Milk Company bought all the stock of the Sego Company at a price that gave our stockholders a substantial profit, the purchase taking place after the Sego Company distributed in dividends all its earnings for the previous five years.

The result left the Eccles Investment Company with a substantial amount of idle cash. And it was this cash that made possible expansion of our banking interests at a time when further developments warranted that kind of action. What those developments were can be briefly stated.

In 1919, the same year in which the Eccles Investment Company gained control of the Sego Company, a change occurred in the management of the Amalgamated Sugar Company, of which I was a director. My half-brother Leroy was asked to resign his post as vice-president and general manager of the concern. His operations had been found unsatisfactory by all the other directors. From that time on, the David Eccles Company, in which he and his older brother David were the principal figures, came to know a variety of troubles. These spread to all the enterprises in which the two brothers were officers and directors and in which the David Eccles Company held large blocks of stock. And they also affected relations between the children in that family. With the girls and one brother leading the opposition, David and Leroy during the next two years were removed from the management of the David Eccles Company, while some of the members of the family separated from the company by exchanging their stock in it for certain of its assets. By 1921 this company was heavily in debt and put out a large bond issue on its assets. In time most of the stock it owned in various enterprises, with the exception of the Oregon Lumber Company and two logging railroads in Oregon, was disposed of to others, including the Eccles Investment Company and its associates. In this way we ultimately acquired a substantial block

of stock in the Utah Construction Company and the Amalgamated Sugar Company.

In 1920 the Oregon Lumber Company, of which David, my oldest half-brother, was president and general manager, also came within range of the arm of decay. At the time of my father's death, in 1912, it had been left without any indebtedness and held cash and bonds totaling three quarters of a million dollars. Moreover, it never failed to pay a substantial dividend and had grown from an original \$100,000 to \$1,000,000 in capital and a further million in surplus. Needs of the First World War should have kept this company far above water, as they should have similarly affected the Amalgamated Sugar Company. Yet from 1917 on, despite the profitable war years, the lumber as well as the sugar company had lapsed into a condition where it could pay no dividends.

The David Eccles Company owned forty-four per cent of the lumber-company stock. The Eccles Investment Company and my mother owned about twenty-eight per cent. As a minority holding, we could do nothing to change the policies of the Oregon Lumber Company, yet were involved in the fate of its bad management. Accordingly, but one recourse presented itself. I called on David and told him I had come prepared to make a buy-or-sell offer; that is, we would state a price and give him an option to buy our interests in the Oregon Lumber Company or he could sell to us at that same price the interests he represented.

The reply was short and sharp. He said he would enter into no such agreement. We could state a price at which we would sell. If it was cheap enough he might buy. On the other hand, he did not have to buy or sell. He went on to say that he was getting sick and tired of my interference and he wished I would mind my own business. I was a damned nuisance, he said, and he didn't want me to cause him any more trouble. This was climaxed by an invitation to get out of his office at once.

I left the office feeling resentful, but was wise enough to hold

my tongue. The scene had been tense, but there was to be another one in which the roles were reversed.

Having analyzed thoroughly all the statements of the Oregon Lumber Company, I knew all its weaknesses. Fortified in this way, I called on the directors who represented the balance of the stockholders. The quiet discussions that followed led to an agreement whereby they pledged to support me in a voting trust pool for a period of ten years and to induce other stockholders who were not directors to join in the trust arrangement. Since the David Eccles Company had forty-four per cent of the stock, the task of assembling fifty-one per cent in an opposing pool was not easy. Yet the measure of dissatisfaction with the way things had been run is shown by the fact that the required majority was gained. Moreover, it involved a majority of stock not only in the lumber company, but of the Sumpter Valley Railroad and the Mount Hood Railroad, both of which were essential to the lumbering operation.

I could now make a return call on David. But this time the approach was different. I recalled our last scene and said I had expected a somewhat different reception from the one he gave me. Now I had returned not to receive an ultimatum but to serve one. He would have to buy out the interests I represented or he and his managers would have to resign immediately, to be replaced by men of our own choice. He had one week to make his decision.

The decision was that he would buy out the fifty-one per cent of the stock that was opposed to him. He could not raise cash for the transaction, however, and at prices agreed upon he offered in exchange bank stocks owned by the David Eccles Company, along with minority holdings in other manufacturing and retail lumber concerns. The amount came to sixty per cent of the price of the stocks he had to buy. It was agreed that the balance would be paid in cash over a period of two years. The aftermath in my personal relations with my two oldest half-brothers was quite unhappy. Yet with my half-sisters and

their husbands I maintained at that time and throughout subsequent years a most cordial association.

As a result of the trade, at the age of thirty, I assumed the presidency of the Ogden First National Bank and the Ogden Savings Bank. Combined, they were the largest bank in the city and among the largest in the state. But I had no desire to move from my home in Logan to take charge of them. Moreover, the affairs of the Eccles Investment Company, the Sege Milk Products Company, the Amalgamated Sugar Company, the Utah Construction Company, and other enterprises left little time for banking operations. Accordingly I induced Orval W. Adams, who had become cashier of Thatcher Brothers Bank at Logan, to move to Ogden and assume the post of executive vice-president of the newly acquired institutions.

Up to this point in the tussle between the sons of David Eccles, the men or the families of men who had been my father's friends had one by one associated themselves with the interests I represented. Thus I was to know the friendship and help that came generously from Thomas D. Dee, Joseph Scowcroft, W. H. and E. D. Wattis, and J. M. and M. S. Browning.

It so happened that M. S. Browning, the business head of that family's interests, was president of the Utah National Bank, located in Ogden, across the street from the banks I headed. In the fall of 1922 he called on me and with characteristic realism pointed out that since we were associates in other ventures, there was no point in being competitors in the banking business. "And furthermore," he added with complete candor, "I'm not satisfied with the way things are being run in my own bank." He suggested a merger of our institutions. He was to take on the post of chairman of the board; I was to be the president, and Adams would continue in his capacity as executive vice-president. Browning indicated that he would buy the shares of any stockholder in his own institution who did not want to join the merger. He also gave me a free hand in working out an equitable basis for the merger.

One of the few conditions he attached was that I move from Logan to Ogden so as to be closer to the affairs of the new bank. He did not feel it would be proper for the president to live in a town some fifty miles away. Accordingly, upon the consolidation of our banks, the requested move was made, and the offices of the Eccles Investment Company were set up in Ogden. My brother Spencer remained in Logan to look after the family interests in Cache Valley. I had no desire to take space in our Ogden bank, but was at last forced to do so when Adams, a few months after the merger, accepted an offer that made him the executive vice-president of the Utah State National Bank of Salt Lake City. This bank was controlled by the Mormon Church.

The vacuum created by Adams's departure from our bank had to be filled on a makeshift basis for a while. And so I at last moved a desk into the bank and for the following year spent half of each day at work there. In the meantime my brother George was made a vice-president of the bank. He was then twenty-three years of age, having graduated the year before from the business school at Columbia University. This was followed by an apprenticeship in the credit department of the Irving Trust in New York. As George acquired more experience, he was able to take on a greater share of what had been Adams's responsibilities. To that degree I was relieved of them.

About three years after the merger of the Ogden banks the Sego Milk Products Company was sold. As I've already said, the sale placed the Eccles Investment Company in a position where it had a large amount of cash for further ventures. Thus in 1925 we joined with the J. M. and M. S. Browning Company (then represented by Marriner Browning, who succeeded to the business control of the family interests upon the death of his father, M. S. Browning) in buying the stock of a number of banks, or starting banks in places where they were needed. Among others, a bank was formed at Montpelier, Idaho, and banks were purchased in Blackfoot City, Idaho, and in Rock

Springs, Wyoming. The Eccles Investment Company already had large holdings in four small banks in Cache Valley, including the Thatcher Brothers Bank at Logan.

Managing the affairs of each of these banks represented a drain on our time and energy. We had reached a stage where we could not give them efficient management when there were so many other things competing for attention. In discussions with my associates we considered three alternatives. We would either get out of the banking business, reduce our holdings, or enlarge them to a point where an organization could be formed that would warrant an overhead staff that could give us better supervision and control of the banks.

Calculations made at the time indicated that we would need between fifteen and twenty banks to carry this sort of staff. In the early formulation of the idea, E. G. Bennett, an Idaho banker, was brought into the discussion along with Marriner Browning and my brother George. Bennett thought well of the plan that was put to him, and after some months we offered to buy his bank in Idaho Falls, Idaho. With the funds we provided, he was to acquire for us the stock of several other banks that were to be embraced by our proposed organization. It was understood that when the banking organization was formed, he would become its vice-president and general manager.

Bennett agreed to our program, and in 1926 he moved from Idaho Falls to Ogden, where he represented us in the acquisition of the necessary number of banks. By the first part of 1928 we had enough of them to justify the creation of the organization we had in mind. And so at this time a bank holding company called the First Security Corporation was incorporated as planned. It was among the first holding companies in the land. Its purpose was to take over the bank stock that the Eccles Investment Company and the Browning interests had acquired in various banks. All the other stockholders in these new banks as well as in the ones that had been owned for some time were permitted to turn their stock in to the First Security Corporation in

exchange for shares. They could do this on the same basis that applied to the Eccles and Browning holdings. As established, I became the president of the corporation, Marriner Browning became its vice-president, E. G. Bennett its vice-president and general manager, and my brother George its secretary and treasurer.

Thus, as *Hamlet's* Polonius would say, "By indirection, I found direction out." I had no original intention of entering the banking business on any sizable scale or to devote much time to it. But a series of failures in other quarters, along with trades that circumstances forced me to make, placed me in a position I had never deliberately sought.

These business successes reaffirmed me in my father's faith. His philosophy of laissez-faire, work, thrift, production, and self-reliance had paid off in abundance in the second generation as in the first one. In the banking field I had outdistanced him and was still young in years. As between half-brothers, we had tested ourselves by the nineteenth-century doctrine of the survival of the fittest and I had survived. The Utah Bankers Association elected me its president in 1925. And I found so much pleasure in drinking in all the intangible rewards of these successes that I had no time to reflect on where I stood or how long I could stay there. If asked for an opinion, I bowed to the East and paraphrased the latest statement of someone like Ogden Mills and Andrew Mellon in the government, or of Albert Wiggin, Charles Mitchell, and J. P. Morgan on Wall Street.

I find, for instance, that in the course of an address before the Utah State Bankers Association in 1925 I had this to say:

Progress is a growing participation of more and more people in more and more of the good things of life. In spite of our follies and failures, we are slowly but surely getting ahead. Our problems are problems of life and growth, not of death and decay.

As in the recent war, civilization may slip back, but these tragic lapses represent an investment in experience. In spite of the World War, today it is reasonable and normal to think of human history

as a forward movement from darkness to light, from slavery to freedom, from poverty to comfort, from aloofness among men and nations to a condition of friendly contact and co-operation. . . .

The recent election of Von Hindenburg gives assurance that there is little danger of a revolution in Germany, the Communist Party having cast less than two million votes out of a total of thirty million.

Here in the United States, to eliminate the disastrous effects of the war . . . it will take time assisted by hard work, patience, confidence on the part of all as well as goodwill and friendship between nations. Greater economy should be practiced in governments, and military expenditures must be greatly reduced.

Or, again, in 1928 I assured the Rotary Club of Ogden:

The best tribute to the efficiency of the Federal Reserve System is that no panic has developed since its inception.

Bigger and better banks are predicted as one of the most important consequences of the Federal Reserve System. . . .

I could go on indefinitely enumerating many of the revolutionary changes which have taken and are taking place in the field of banking, but I believe I have said enough to give you a bird's-eye view of the development of this most important business, which today is the foundation on which is being built the great structure of modern civilization.

Along with other businessmen, I believed we had reached a state where depressions and panics were a thing of the past. The American dream had been put on a sound statistical basis. The consumer price level was gradually declining throughout most of the twenties. Wholesale prices remained stable. Both the national income and the money supply increased about forty per cent over the eight-year period ending in 1929. Federal income exceeded expenditures sufficiently to reduce the outstanding government debt by approximately seven billion dollars during this period.

There was practically no unemployment even though there

was a gain of about five million workers. The increase in labor productivity was substantially greater than the normal trend. Corporation taxes were low, the maximum rate being 13.5 per cent, and corporate profits increased in these years by over 75 per cent. Taxes on individuals were also relatively low. There were no inheritance taxes or capital-gains taxes. There was little or no government interference with the free-enterprise system. Private initiative was given every encouragement. And I made the most of it. To recapitulate:

I was president of the Eccles Investment Company; president of the First Security Corporation; president of the First National Bank and the First Savings Bank of Ogden; president of the Eccles Hotel Company; president of the Seago Milk Products Company; president of the Stoddard Lumber Company; vice-president and treasurer of the Amalgamated Sugar Company; a director of the Utah Construction Company, the Utah-Idaho Central Railroad, the Lion Coal Company, the Anderson Lumber Company, the Mountain States Implement Company, the Utah Power and Light Company, and others.

"Come, come ye saints. . . . All is well! All is well!"