

PERCY H. JOHNSTON

I. IDENTITY IN BANKING COMMUNITY

Early Banking Associations

Marion National Bank, Lebanon, Kentucky - Clerk
National Bank Examiner
Citizens National Bank, Louisville, Kentucky - Vice President

Management Position with Bank

Chemical Bank & Trust Company - Chairman of Board

Affiliations with Banking and Financial Associations

New York Clearing House Association - Member of Committee on International Monetary Matters; Former President
Reserve City Bankers Association - Member (Former President)
Chamber of Commerce of New York - Former President

II. CONSISTENT DISSENTER TO GOVERNMENT ACTIVITY IN FINANCE

Criticized Operations of Federal Deposit Insurance Corporation (1934)

"Had this law been in effect during the past five years, more than one-half of this company's capital funds would have been dissipated to pay the losses of other banks." . . . "The law puts a premium on unsound banking and is unfair to well-managed banks."

Criticized Government's Gold Policy (1939, 1941)

Johnston regarded the accumulation of gold stock in this country as a deterrent to world trade, indicating that it would be of benefit to the United States to "get rid of six or seven billion dollars in gold and scatter it around the world." (Financial Chronicle of April 8, 1939)

Johnston urged that an end be put to the President's authority over gold. He pointed out that "authority over money was relinquished by Congress to the President during an emergency to prevent a further drop in the value of assets of banks." He stated that the emergency has long since passed, but despite this Congress has renewed the President's power. He also stated that one of the gravest dangers in our possession of so much gold is the fact that the dollar can be still further devalued at the wish of one man - the President. (Financial Chronicle, January, 1941)

III. CONSISTENT OPPOSITION TO ALL GOVERNMENT REGULATION OF BUSINESS

Charged Government Regulation Responsible for Economic Insecurity

In January, 1940, Johnston stated:

"The United States today is suffering from an overdose of reform and a dearth of the good old-fashioned

principles, backbone and hard common sense upon which the greatness of this nation was founded. That homely virtue - economy - the cornerstone upon which the prosperity and happiness of our nation was built, is once more challenging the thought and action of our public officials. All attempts to discard it have failed. I have often stated at these meetings that we can have no permanent and lasting prosperity or high rate of employment until the Government sets the standard of soundness and stability." (New York Times, January 17, 1940)

Charged Government Regulation Menace to Democratic Government

"The Government is encroaching too far into the field of private enterprise. The Government has too much arbitrary and regulatory power over banking, refinancing of established enterprises, financing new ventures, railroads, air travel, and radio. Is regulatory power a menace to the democratic form of government? We need to return to the pioneering spirit - a willingness to suffer and persevere if the Nation that they built for us is going to endure." (Commercial and Financial Chronicle, November 14, 1940)

Opposed to Rationing Program

The Financial Chronicle, on January 25, 1941, reported Johnston as having expressed his belief in the principles of free enterprise and thrift, and his opposition to phantastic theories of government such as rationing.

IV. CHARACTERIZED NEW YORK STATE CHAMBER OF COMMERCE AS ORGANIZATION TO FIGHT GOVERNMENT REGULATION

In November, 1941 Johnston, in outlining the program of the New York State Chamber of Commerce of which he was President, declared as one of its principles:

To advocate the curtailment or abandonment of the Government until after the emergency of social experiments which can contribute nothing to our defense effort and which are a strain on the national economy.

To guard against further encroachment of Government into the field of private enterprise except where temporary intrusion is absolutely necessary.