

NEW ENGLAND'S POST-WAR FUTURE

An Address by Ralph E. Flanders  
Financial Advertisers Association of New England  
City Club, Boston, Mass.  
February 8, 1945.

It is with a feeling of some hesitation that I talk to you tonight on the subject which I have chosen. My hesitation does not come from a feeling that the subject is not interesting or important, it arises from the fear that in your minds it may be an old story on which the changes have been rung so many times that it has no particular appeal.

The fact is that I myself have said most of the things I am about to say so many times that it would be natural for me to get tired of repeating them.

On the other hand the points we are to discuss are so important, and so much remains to be done about them, that both you and I should be willing to look once more at New England's present and future in the hope that we will find definite things which should be done, and which we can do to assure the continued prosperity of this region and continued usefulness to the nation as a whole, as a source of wealth, of ideas, and of men.

First, let us take a look at our geographical location. It is too bad that we cannot have a map here. When you go home take out an atlas of the United States and see how nearly isolated we are from the rest of the country. We stick clear out to the northeast with longer boundary lines on both Canada and the Atlantic Ocean than we have with the State of New York, which is our only land bridge to the rest of the nation. That land bridge is itself broken by Lake Champlain and by a mountain ridge in western Massachusetts and Connecticut, both of which are in some sense obstacles to free land communication with our fellow citizens to the west. This land communication runs through

narrow concentrated channels at Albany and New York.

By water we are in contact with all the nations of the earth; by air we soon will be. If our location has cut us off to some degree from the rest of our own country, it has at least had the advantage of giving broader outlook and a livelier interest in world affairs, with regard to which we may properly profess a certain competence.

Our isolation gives us certain other advantages and disadvantages. On the side of advantage it has given us a strong regional sense. State of Mainers, Vermonters and Connecticut people are proud of their respective States, but this State pride does not destroy the regional interest and pride which goes with the term "New England". In this sense we are really unique. The middle-west is a big area and a big term. There are doubtless certain middle-west types of thought and of custom; the same is true of the Pacific Coast or of the South, but here our regional sense is sharpened into an active sentiment which is often made effective in action and which should be made still more effective.

In considering our future, the first thing we should do is to take an inventory of the resources of this remote appendage to the United States of America.

Our mineral resources are few and lie for the most part in the field of the quarrying industries. We have excellent supplies of granite, marble, slate, limestone and talc, with some scattered deposits of other minerals such as feldspar, mica and glass-sand. While these can assist in the prosperity of New England, they are not important nor extensive enough to make a foundation for our future. We will continue to develop and use these deposits and to explore for new ones.

We have certain agricultural resources. The high grades of agricultural soil constitute unfortunately a small part of our total area, and our large acreages in the potato growing areas in Maine, the central section of the Connecticut Valley and of some of the other river valleys have many square miles of fertile, tillable soil, but of the greater part of the region we must sadly admit that it is too steep, or too stony, or the top soil too thin to be of much use for agriculture. We must make good use of what we have and therewith be content.

Much, however, of the land not suited to agriculture is adapted to forest growth. In past generations these forests have been destructively exploited. The possibility of treating them as a continuously harvested crop is one of the new developments now underway.

Our extended seacoast is the seat of important and extensive fisheries, ranging all the way from clams and oysters, to cod and tuna fish. These fisheries are among the most important in our hemisphere and we are fortunately situated with reference to them.

There is one of our resources which we have in the superlative degree and that is the types of coast country and mountain scenery which attract people for short vacations or summer residence. It is adapted to sports of all kinds, whether for sailboat, golf or winter skiing. We need have no sense of inferiority <sup>as to</sup> in this particular one of our natural assets.

The greatest of <sup>our</sup> assets is yet to be mentioned, and that is the human product of our rocky soil and rugged climate. The great asset of New England is in its men and women, its boys and its girls, and the rocky soil and rugged climate doubtless have something to do with the high quality of this human product. It is not so easy to get along here as it is on a South Sea island. We are the children of ancestors who survived under difficult conditions and our children in turn will descend

from those living in a region whose handicaps we have been describing. In the long run and from the standpoint of the development of capable human beings these handicaps may well turn out to be assets.

Our population has had a wide variety of experience in a wide variety of agricultural and industrial occupations. While a considerable percentage of that population is urban rather than rural, yet it has lived in urban communities in which the accent is on production rather than on occupations, which, however necessary, are accessories to the main work of the world in producing and distributing the means of the world's livelihood.

To a very high degree also our population possesses ingenuity. This is not so much the ingenuity of trade and of legal devices, though these are not lacking, as it is ingenuity in devising products, methods and institutions. There is perhaps no statistical basis for determining ingenuity unless it be patent office records which cover a certain area of the subject. But our competence in this respect is generally recognized by people in other parts of the country.

There are other respects in which our preeminence is generally recognized. New England has been and still remains the great focus of education. It does not have the largest universities of the country; it does have an astonishing group of preparatory schools, colleges and universities, to which some of the brightest and best of the young people have been sent, and from which many of the leaders of the nation in all fields of activity have gone forth. More than men and women have been exported from New England schools and colleges. They have been a prolific source of ideas, whether in education, or in politics or in other fields of active life.

Related to our schools and colleges are our institutions of scientific research. We have within our boundaries, even within gun shot of the spot where we are holding this meeting tonight, some of the greatest research institutions in the world, recognized as such all over the world. These institutions have unfortunately been more deeply appreciated, generously supported and actively used by other parts of the country, than by New England itself.

Such is New England. As such she has played a part of which we may all be proud in this war period; whether in the record of her sons in the fighting forces or in the record of production on farm, in forest and in factory, for the transportation of war materials on the land, through the air or on the sea. Nowhere have these things been done more effectively than here. In particular, no part of the country has a better record in that preeminently human aspect of our war work, freedom from strikes, slowdowns and other types of labor trouble. Here is where New England character has showed itself. That character is to be found in wage-earner and employer alike. Its existence has been revealed by our steadiness of purpose in warfare. We may reasonably hope that the peace-time years ahead will show similar self respect and self control.

Let us now look ahead to the postwar years. What can such a region as we have been describing, with such natural and human resources, look forward to in the postwar world?

Some of the conditions are especially favorable for us. For instance, there has been comparatively little wartime expansion of such a kind and amount as to require severe deflation. In only a few cases has the growth of war industry been such, or the facilities used so special, that they cannot be changed to peace-time activities.

In general, our textile and metal working plants are easily and quickly adaptable. It is true that in the production of airplane engines and especially of ships in our shipyards, we will have to undergo a severe reduction. It will be a reduction not an extinction. These necessities have been foreseen in advance and will not come as sudden unexpected emergencies.

There is but one serious possibility that needs to be faced and met.

There has been much talk and correspondence, particularly by Senator McCarron's Committee, about closing up war expanded industries in the north and east and transferring their peace-time activities to the newer plants located in the south and west. There would seem to be little danger of doing this with our shipyards, but there is some danger of an endeavor to carry this out in our New England airplane engine industry.

Proposals of this sort are based on false and hasty assumptions. Such a plant as that of the United Aircraft Engine plant in Hartford making the Pratt & Whitney airplane engines, is not a machine shop all by itself without roots and connections. Its foundations are something beyond the cement walls built into the Connecticut soil. Its real unseen foundations are the generations of mechanics who have built up the aptitudes and experience of the community in which the plant is located. The operations of the plant itself depend on its ability to draw on the thousands of skilled toolmakers, draftsmen and engineers who are to be found in scores of industries located in the same region, some of them for many generations. There are besides all the services <sup>and</sup> of supplies in the way of small tool manufacturers, tool designers, special machine tool builders, and all of those other services. Each in turn is based on legacy from previous generation of skilled craftsmen and designers.

The shop can be moved and its roots can be pulled from the soil, but there is no corresponding soil to which these roots can be transplanted without moving a whole culture from this region to others in which it is not a native growth.

As was pointed out by a recent speaker before a Boston audience,

excuse for this drastic transplantation is the assumption that it is wise to get industry important to war production removed from our coast and located far in the interior. This is really a <sup>Marginal</sup> ~~Marginal~~ Line complex. It is a dangerous state of mind for the American people to allow themselves to drift into. We should put our industries even though related to war, where the conditions are best for doing their most effective work and then with full confidence and our utmost skill prepare to defend them wherever they are and ought to be.

The McCarron proposal is a typical example of the situation mentioned in the beginning of this talk. New England is located clear up in the northeast part of the United States. It is in a sense remote from the rest of the country. We are not politically so strong that we can look automatically for support in protecting our interests. Our interests will be attacked and our only strength and safety lies in our own efforts. The McCarron proposals are a case in point. We must be certain that the measures we propose for our own protection and advantage are also in the interests of the nation as a whole and with that point assured we must fight our battles with vigor and with faith. No one will fight them for us.

So far, we have been talking about protecting New England's position. We wish to do more than this. We wish to expand New England's industry and with it, improve her social conditions, the welfare of her people, and the contribution she can make to the welfare of the whole nation. It has already been said that we are not in danger of the extremes of deflationary forces which some other parts of the country may have to undergo. We were well prepared for war production and did not have to build so much new. We, therefore, will not have to discard facilities

of the country will have to undertake.

This solid, uninflated foundation is the right one on which to build new expansion. What are the directions in which we should be moving?

One of them has had much attention in the past few months. Active measures are being undertaken to revive and re-equip the facilities of the Port of Boston. Beyond this, plans are being made for organizing it and operating it as a business entity. Even beyond this, citizens of Boston are laying plans for expanding Boston's <sup>management</sup> financial interest and investment in shipping. All of this promises well for the future. Boston will go downhill as a whole if it goes downhill as a Port, and when Boston goes down, New England cannot have a healthy growth.

Among the other elements favorable to the expansion of business opportunities here is the fact that we are the traditional home of small industries. A very few nation-wide corporations have some of their plants here, but the great bulk of New England industry is made up of comparatively small and medium-sized companies, and on the aggregate of the operations of these small and medium-sized companies the prosperity of our region depends.

This condition makes New England an especially favorable ground for the planting and growth of new industries which, in turn, may grow from the seed into small undertakings, and from small undertakings will grow into more prosperous ones. As a matter of fact, we have not merely the tradition and the present condition of a small industry region. We have, in addition to this, such a flood of new ideas, new projects, new inventions seething and boiling in the minds of New Englanders, that there should be no lack in the coming years of business opportunities of the old-fashioned sort which build up the industrial strength of this country. There are

their number or their possibilities. Perhaps not more than one idea in ten is worthy of serious consideration. Perhaps not more than one in ten of these can work out into successful and profitable enterprises. But even with those unfavorable ratios, out of this ferment and boiling of new ideas will come the new industries and new developments of the post-war world.

We have been speaking hitherto of the advantages of New England in respect to such developments. We must be honest and point to some of the drawbacks. The most serious drawback is not confined to this region, but is country-wide. Federal taxes, particularly the excess profits tax on corporations, make it so difficult as to be almost impossible for new undertakings to start with any hope of growing in size and worth in the old-fashioned way from their own resources. New Englanders can play their part in the difficult solution of this problem, but it remains a national problem.

Unfortunately, there are some other unfavorable elements which are characteristically our own. Perhaps the most serious of these is the fact that such part of our wealth as is accumulated in sums large enough to make risk-taking safe is to be found in trusts for minors, for widows, and for institutions, rather than in the hands of active businessmen. This condition bids fair to be a permanent one, caused as it is by inheritance and tax laws which leave comparatively small amounts of money in the hands of active businessmen as compared with the conditions of a generation ago. It is all the more necessary, therefore, that active businessmen and those of moderate means should get in the habit of risking some reasonable part of their incomes in some of these new ventures of the sort which, a generation ago, would have found satisfactory financial

It might even be suggested that the accumulated savings of the small incomes should be applied to some of these untried investments. This cannot be done under the S.E.C. regulations which were designed to stop a wide-spread solicitation for such undertakings. It is, however, whether for those of small, moderate, or large means, a very much more socially useful way of gambling than is the placing of stakes of similar size on horse and dog racing.

We need more industrial gambling. How can we get it?

For the country regions of New England, there is not so much of a chance for high returns on risk <sup>in agriculture</sup> as in industry. But there is an excellent chance of maintaining prosperous conditions in the back counties of New England.

Some part of our agriculture is dependent on national and world-wide markets. This is true to some extent for the potatoes of Aroostook County, the tobacco of the Connecticut Valley, the cranberries of the Cape, the poultry and eggs of New Hampshire, and the apples of Vermont and Massachusetts. These crops have the advantage of soils, climates, and other conditions which are ideal for quality production, and it is because of these natural advantages that these national-market crops exist within our area. The specialized knowledge for continuing their hold on the markets must not be lost. It must be developed and expanded with the utmost keenness.

The greater part of our agricultural production, however, is to be found in products which find their markets in the industrial towns and cities of New England. This is preeminently the case with the crops from the market gardens and the fluid milk from the dairy farms. The markets for these go up with the prosperity of New England industries.

When employment falls off in the industrial cities and towns, the farmer

in the farthest corner of New England suffers a loss in income. He has an immediate and deep interest in the prosperity of the city. This interest he must always keep in mind, particularly so far as it affects his political ideas and actions.

Were you gentlemen here tonight more directly concerned with agriculture, I might discuss with you some of the definite ways in which I believe the profits of New England farming could be increased for the farmer. <sup>But</sup> That is a little bit outside our bailiwick this evening. I might mention, however, my own conviction that a considerable part of the possible industrial expansion of this region may, perhaps, be found in the processing of food products in country towns situated in the regions in which the products are grown. A New England place name on a can or a bottle or a box for a food product of any sort gives an assumption of quality. If we can see to it that the quality is always there and if, in turn, we can devise economical means of production and effective means of marketing and distribution, we can have a good share of the high-priced quality market for foodstuffs of the country for everything that we are naturally suited to produce.

May I say a word or two further about the interdependence of the city and the country? Mention has already been made of the dependence of the farmer on the prosperity of our industrial towns and cities, but this interdependence goes far deeper than this. It is to be found at its deepest in the condition whereby the country towns of New England are the seed bed for that most important of all New England products-- its boys and girls, its men and women. Some of the finest of these come from the cities. Nevertheless, the ultimate strength and vitality of our stock still rises from roots that are deeply planted in the New England soil. Unless we make New England industry and industrial towns

profitable and full of opportunities for New England's youth, we will be exporting this most valuable product instead of preserving and using it. We will be exporting it as we have exported our capital.

It will be ~~wiser~~<sup>proper</sup> for us to export men and money wisely and extensively, but if we do this at the expense of destroying the opportunities for men and money here at home, we will dry up the seed bed of New England's most valuable product. Let's not do that.

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