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ADDRESS OF THE COMPTROLLER OF THE CURRENCY, HON. D. R. CHISSINGER, BEFORE THE NEW HAMPSHIRE BANKERS ASSOCIATION AT MANCHESTER, N.H., FRIDAY, APRIL 29, 1921, AT 8 P.M.

MR. CHAIRMAN AND GENTLEMEN:

The banker, who comes to New England to preach banking ethics and practice, will, if he be wise, come with uncovered head, as one would approach a shrine; with bare feet, as the devotees of some religions enter their sacred places. He will be yet wiser if, having in mind the New England habit of thrift and "getting on", he comes with his pockets empty. With such precautions, he may hope to give no offence, to have no available assets abstracted from his person, and perchance even to get away with something more than he brought.

We have all been coming for generations to you of New England for the financial support, the ready cash, the loans on call and mortgage, that have meant opportunity for other sections to build, develop, grow. Kipling in one of his poems of tribute to the British Empire as a whole, apostrophizes England as "the power-house of the line", the center whence radiate the skill, wisdom, management, financial authority and economic strength that make possible the maintenance of that world-flung community. So I venture to apostrophize New England as our "power-house of the line", the reservoir of sense, saving, thrift, conservatism and enterprise from which we have been accustomed to draw for the financing and direction of enterprise everywhere. For, after all, you of New England have earned altogether too much repute for conservatism, and too little for enterprise.

At a time like the present, when, on a nation-wide scale, we have need for the most judicious admixture of conservatism and enterprise, of holding back and pressing forward, of proper economy and reasonable willingness to spend, of moderation and audacity, it is good to come to talk to a gathering of New England financiers, who, one feels very certain, will know just what is meant by such a juxtaposition of opposites. So I come to you as one who would learn, rather than teach; seeking to learn your lesson rather than to teach you any of mine. It is my most earnest wish that you may all believe me to be very sincere when I say this, for in the difficult position to which I have been called under the new administration, I find every day the need for the New England sort of support. There are times when people in relations to finance don't feel at all sure of needing that sort of thing. I can say to you, with a good deal of confidence, that just at present the New England financial idea is standing extremely well with the country. The possession of available, movable, liquid resources entitles the holder nowadays not only to our distinguished consideration, but to a going cent per cent that is the most substantial testimony to our eminent approval.

We have a way, in this country, of turning to New England for credit, in times like the present, of the sort that is solid without being too solid. You of the down-east tradition have repute for

avoiding extremes; for being a bit cold, but always avoiding that excesses of coolth that would imply frozen credits. At large, we are suffering from severe chilblains in the credit department, but I take some satisfaction in saying to you that we see good signs ahead; we are coming into the stage in which we are beginning to rub snow on the frozen members in order to avoid the discomforts of too rapid thawing.

Yours is an industrial and financial community, and it has suffered with the rest in the recent period of depression. But you have the substance of real wealth, the wisdom of long experience, the background of sound policies. There has never been much of sympathy among you for programs of extremism. If there be still some who view with concern the seemingly disproportionate influence of New England in the national councils, both business and political, I think I can suggest some considerations that may explain your potentiality without doing great discredit to either your business men or your politicians. When, after the revolution, there were those who insisted that the debts of the war for independence could never be paid and would better be repudiated at once, New England stood firm for keeping the national credit good. When the same issue rose after the civil war, you voted no to every proposal of scaling or shirking the national debt. When greenbackism, still later, held forth its

promise of prosperity by fiat, you told us that prosperity did not come by that route; that it was to be had only by saving, and plain living, and accumulating. When the same proposal, diluted somewhat into the free silver program, came still later, you stood as a rock for sound money. Your record is sound, and you are entitled now to the recognition which, as a middle westerner and a democrat of the old-fashioned sound-money faith, I am glad to bring to you.

So, with all assurance that New England will understand and hold by the faith of sound money and sound business, I come with a message of good cheer on behalf of the rest of the country. Business conditions are improved and improving, and I want you to be assured that those of us who have some responsibilities in administering the government's relations to banking and finance on the national scale are determined to make common cause with you who are carrying forward these vital concerns, out in the field. You can be confident that your counsel to us will be appreciated and always considered; that the best we can give to you of judgment, counsel, and substantial aid, will always be forthcoming. We want you to feel in the fullest sense that ours is the purpose of hearty cooperation. Our interests are

common, and you will find at the Comptroller's office in Washington the fullest disposition to be useful, helpful, reasonable. We hope that you will feel that you are welcome, and more, whether you come to us in person or by correspondence. We are determined to make you all realize that we mean exactly this, and that it is going to be a continuing policy.

In saying these things, I would like to add the hope that there may be the closest possible understanding between the national banking and currency system, and the state and private financial institutions. Here in New England you have a great class of long-established, powerful, sound and most useful institutions that are not connected with the federal system. With these, we can hope for only such relations as shall be afforded by common interest and the general purpose of serving the public well. But that is ample reason for us all to make every effort for good understanding and mutual helpfulness. These I pledge on behalf of the national fiscal authorities, and I ask you to meet us half-way.

We confront an epoch of greatly changed relations between commercial America and the rest of the trading world. Some things that we had always accepted as well-nigh fundamental, have passed and will not return. We must adjust ourselves to the new conditions. Our country has become, in its relations to the rest of the world, a great creditor nation; the greatest in the world, probably the greatest the world has ever known. Thus far, we have been in this new phase of international business relations, merely a money lender. We have gathered great sums, by processes of taxation, and loaned them, through the government's agencies, to governments of other countries.

That is not a good way to establish the status of the creditor nation, but the exigencies of war made it inevitable. Our first business was to win, and we did win. Now we must set our hand to the task of transmuted the securities we hold from other countries, into a more digestible shape. It is not desirable for the government of one nation to hold great obligations due it from the governments of other nations. They cannot be treated in the direct, simple, straightforward fashion that purely business transactions are treated. It is desirable, then, that so fast as may be, with a view to the convenience of all parties to the transaction, these obligations of other governments shall be changed in form, and distributed among the American people; that they shall be converted to forms in which they may enter and flow freely in the channels of ordinary business. Personally, I very much hope for the not too distant time when they may be changed from government to merely business obligations; when instead of our government holding the I.O.U's. of other governments, we shall find our business men, capitalists, investors, holding the securities of corporations, business houses, public utilities abroad. Thus, if the conversion can be effected skillfully and gradually, we shall presently begin almost insensibly to find ourselves in close touch, in common interest, with the business processes of the whole world. The knowledge and understanding of those processes will be of the greatest usefulness to us in those efforts to extend our trade, which inevitably must greatly engross our business community in future.

I speak of these things because of a strong feeling that we have not been quite prompt enough to equip ourselves for the new order of affairs. The transformation from the debtor's to the creditor's status came too suddenly. It would inevitably have come, indeed it was

already fast coming to us, even before the world war. The vastness and variety of our natural resources, the bigness of our industrial plant, made it unavoidable that we should at last come to the position we now occupy. But the war pitched us headlong into it, instead of permitting us to grow and evolve into it. We are in the position of the student who has a lot of "back lessons" to be "made up". There are American experts and specialists in world trade, who understand its methods and are quite able to find their way through the devious channels of international commerce and come home again with a comfortable show of profits on their adventures. There are however not yet enough of these; there is not a broad enough foundation of interest and eagerness for the adventure, nor a sufficient appreciation of the difference between the business methods that we employ at home and those that must be developed for the wider field.

For a variety of reasons, you of New England are especially favored to assume leadership in the new era. You are accustomed to handling capital; to making investment of it in comparatively strange and distant parts. There is no great difference between the kind of leadership that near two generations ago gave this country the first trans-continental railroad, and that which in the coming generations will have the chance to perform like useful - and profitable - services for other countries and continents. They are calling to you to come and help them; and the lands to which they invite you are no more strange or distant than were the trans-Missouri plains and mountains which New England leadership bound forever into the Union by building the Union Pacific railroad.

In the new time ahead, Americans must learn the business of investment abroad, and then of re-investing their profits there. By this procedure they will widen the market, sharpen the demand, for the

products of American industry. Wisely managed, our huge volume of present investment abroad will in time be turned into a huge snowball, growing in mass as it rolls on. The American-controlled railroad in a foreign land will require American rails and cars and motive power and management. The American-dominated municipal utilities of another hemisphere will naturally turn to this country for their electrical, power and other equipment. We have the plant from which to supply them. We will more and more need the market. So the financial right hand and the industrial left hand will wash each other, to the benefit of both of them and of all of us.

Certainly no apology is required for coming to New England to sketch the picture of possible - indeed, I dare say, of assured, development in our wider commercial and industrial relations. You are the people who by training, inheritance and tradition best know this game. You gave us the first merchant marine the country ever possessed; you made it compete successfully, while our nation was yet in its swaddling clothes, with the oldest and strongest maritime establishments. You carried flag and trade to the seven seas and from that trade you brought back profits that went very far toward financing the nineteenth-century development of our own magic continent. If in time decadence laid its blighting hand on the merchant marine of those older days, it was not because New England failed to plead and

warn. You have never ceased to preach to us the lesson that we all recognize, now, as sound and sane; the lesson that maritime equipment is necessary if a nation will take and hold a commanding place in the trading world.

Out of the imperative demands of national and world crisis in the great war, came the inspiration to recreate the merchant marine. The ships have been built. They await the touch of your genius in management and merchandizing, to make them the carriers of the world. Your opportunity is at hand; and it is pressing. Before we shall realize it, the new tide of development and expansion and prosperity will be breaking on the shores of old and new lands. Can anybody doubt that a period of new development awaits many regions that till now have been denied their share? Europe and America will both see the possibilities, and the need, of opening fresh lands, new mines and forests and riches of every kind. There will be a rapid diffusion of occidental peoples and culture and industry, into areas which till now we have been wont to regard as too remote and crude to warrant very serious consideration.

I venture no prophecies as to the future of the European nations and systems; but I make bold to say that one consequence of the upheaval which that continent has suffered, will be an epoch of widespread development in quarters of the world as yet hardly touched by

modern and western institutions. It happened after the Napoleonic upheaval in Europe, and the signs are everywhere that it will happen again. It is already beginning. Our part in it will be just about what we choose; and our place in the world for generations to come will be just about what we make it by our helpful participation in our narrow-visioned aloofness from the work that calls us.

With such a vision of the future, with such confidence in what it holds for us of both opportunity and service, to whom should one come with his prospectus, if not to New England? You have the experience, the background, the capital, the genius for great business on sound lines. I will add only one suggestion, and that is, that I know we have in Washington an administration which sees broadly, which believes firmly, which plans comprehendingly, for these greater things. It is prepared to give American enterprise and energy the fullest need of encouragement and sustenance. You will find that vision is not lacking, that statesmanship is broad, that confidence in the mission of our country and the security of our civilization is deep-grounded and unyielding as your granite hills. This administration asks for your support so long as it shall deserve; for your cooperation, as it pledges its own; and for common effort in behalf of our country, our duty to humanity, our service to our own people, and our firm conviction that America has a noble part to play in the rehabilitation of the world.