

May 5, 1916.

STATEMENT BY MR. WARBURG:

Secretary McAdoo, the Chairman of our delegation, has made a very complete statement concerning the work done by the conference at Buenos Aires, and I do not see what I could add to the same. In an address which I made at Buenos Aires I said that the American delegates considered themselves as "exchange professors", and that, while we had come to contribute our own share in imparting knowledge and facts peculiar to our own country, we realized at the same time that we might render a greater service by employing the time spent in foreign countries in absorbing knowledge which we would take home to our own country in order to make it available to our people.

This does not apply to our own delegation only, but with equal force to those of all South and Central American nations. There is no doubt that more Argentinos have crossed the Atlantic than the Andes, and between the majority of the Latin American sister republics there is hardly any commercial or intellectual intercourse. These conferences are, therefore, productive of the greatest good in promoting mutual understanding among American nations and in developing the consciousness of our common interests and ideas.

If by my own impressions I may judge the effect that this conference must have produced on the delegates of all nations, if they learned as much about how "the other man lives" as I learned about them, I could only wish that the "Tennessee" might have carried a thousand delegates instead of seven.

Now that we have returned home it will be the duty of us seven to make our impressions available to our country. Unfortunately, however, no matter how hard we may try, a good deal of the intensity of our impressions will be lost in transmission. After ~~we~~ rapid a visit it will indeed be a difficult undertaking to reproduce the impressions that we have received concerning the physical and economic conditions of the various countries, but it will be quite impossible a task to attempt to reproduce the impressions made upon us by some of the eminent men we met, who won our esteem, friendship and admiration.

Some of the countries through which we passed have difficult problems to face, due to or accentuated by the European upheaval, but hard times will prove useful taskmasters, and in some countries we found that difficult problems had produced strong men whose sincerity and ability could not but inspire a confident reliance that their country's fate was in good hands and ultimately would be worked out successfully.

Almost all of these countries offer wonderful possibilities, and for us who have gained so much through Europe's losses, it is not only a tempting opportunity, but also a serious obligation placed upon us by Destiny - to lend a helping hand to our Latin American sister republics in developing their marvelous resources, and with that their own financial and political independence.

I was delighted to see strong evidence of the awakening of the American spirit of enterprise in almost all the countries through which we passed ; be it in railroading and developing of ore lands in Brazil , or packing houses in Uruguay

and Argentine - where the opening of those plants has brought about a great increase in the price secured by the cattle raisers of those countries - or be it in mining in Chile and Peru, or raising sugar or tobacco in Cuba.

It was a great satisfaction for me to notice in those countries the beneficent effect of our new banking legislation. It did my heart good to see American banks operating in these foreign cities, and to find that the American banker's acceptance at last had become an integral part of the world's banking machinery. Much remains, however, to be done in this respect. A world market for these acceptances has been provided, but too many American importers appear to be tight asleep and do not yet realize that it is poor business for them to pay a British banker an acceptance commission and a discount rate of about five per cent, when by arranging for American bankers' credit they can secure a discount rate of but two per cent.

When passing through the Panama Canal, I had the great honor of meeting General Goethals, and I said to him that shaking hands with him gave me a peculiar thrill, because I felt that the Panama Canal and the Federal Reserve Act were the two most constructive contributions made by the United States in our generation. The Panama Canal and the Federal Reserve Act have blasted the way wide open for the development of North American enterprise, but the business that is to flow through these channels must now be developed by the individual initiative of the people of the United States.

However, if we are to secure our position in the world, all legislative obstructions that still stand in the way of a free unfolding of our economic powers must be removed, and I sincerely hope that Congress will not delay the passing of such amendments to the Federal Reserve Act as are necessary in order to place our banks on a par with the important European banking institutions with which they have to compete in foreign countries. Only those who with their own eyes have seen actual conditions can realize the importance of securing these changes and of securing them promptly.

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