

is regarded by the government and people of the United States.

We extend to you cordial greetings and hearty welcome, and earnestly hope that your visit to the United States may be fruitful in practical results; advantageous to your countries, and replete with happiness for yourselves.

A SIGNIFICANT CONFERENCE

International conferences of various kinds in different parts of the world have been held in times past, and this is not the first conference between the republics of the American continent. The Pan-American Union is the result of one of these conferences, and is a tribute to the vision and statesmanship of the great leaders of the republics of the western hemisphere. But never before has there been assembled an international conference of such peculiar significance as this one. We meet at a time when more than half the world, in population and territorial area, is engaged in a colossal conflict, destructive of life and property upon such a gigantic scale as to profoundly influence the economic status of all the nations of the earth. The countries of the western hemisphere have been seriously affected, and are obliged to consider what measures shall be taken to protect their own interests from the consequences of the mighty European struggle. We of the United States have already tasted the bitter experience of disrupted credits, paralyzed shipping, and disorganized commerce. Happily we have largely overcome them now, but our experience enables us to know and appreciate to the full the difficulties which you, our neighbors, have been forced to meet, perhaps in a larger degree than ourselves, from these same causes. Realizing these conditions, it seems both wise and necessary that we should come together for the purpose of considering the problems that confront us and concerting the means by which they may be successfully met and conquered.

It is not from selfish motive or sordid desire for material gain that this conference draws its inspiration. It has a deeper and a finer meaning. We meet for the purpose of considering how and in what manner the great republics of the western hemisphere, representing as they do, common ideals of liberty, justice, and self-government, and dedicated as they are to the highest and best interests of humanity, may, through common action and interest not only conserve their material welfare but become a more homogeneous and powerful moral force for the preservation of peace and the good of humanity.

A wholesome material basis, which implies the prosperity and happiness of the people of a nation, is essential to the perfection and realization of those high ideals and moral principles which profoundly influence the course and progress of humanity. Through a better understanding of the economic needs of our respective countries let us hope that we may be able to establish a common basis of material prosperity which shall make increasingly apparent the essential community of interest of the nations of the western hemisphere. We owe it at least to ourselves to initiate those measures and policies which will make the nations of the western world self-contained and independent of the disastrous consequences of future collisions between the nations of the eastern hemisphere, and capable of helping the suffering people of Europe in the time of their distress and misfortune. So long as we are in large part financially dependent upon the nations of Europe for our internal development and economic stability, so long are we exposed to the hazards of their internal strife and external wars. This seems to be the opportune time for the development of the spirit, at least, of continental solidarity.

CONTINENTAL SOLIDARITY

The nations of the western hemisphere can not make a greater contribution to the cause of civilization than to effect that kind of continental solidarity which, resting upon wholesome material interests, political accord, common ideals, and mutual helpfulness, will give them a commanding influence for the peace of the world and the service of mankind.

We are all anxious to achieve practical results. We do not wish this conference to culminate in mere debate. We of the United States earnestly desire that you shall give to us the most complete and authentic information concerning the financial and economic needs of your respective countries, and about every problem which you think we may consider to your and our advantage. We realize that each country has its own distinctive problems; that the problems of one country probably do not relate to those of its neighbors; that such problems may concern governmental or public financing, tariff laws as they affect United States trade; commercial credits and direct exchange

with the United States; ocean transportation, and various other things. Manifestly the specific problems of each country can not be debated with advantage or benefit in the general sessions of the conference. In order, therefore, to give each country the opportunity of discussing its particular problems with the utmost frankness and freedom, we have adopted the plan of dividing the delegates of the United States into eighteen committees. One of these committees will be assigned to each of the countries represented in the conference. This will bring about a series of group conferences, where the problems of each country may be discussed with a body of representative bankers and business men of the United States, who will do their utmost to co-operate in the most effective possible manner with the delegates of the several foreign countries in arriving at tangible and practical results. The men who represent the United States have been chosen because they are among our strongest bankers and financiers and among the greatest of our manufacturers and merchants. They will co-operate with you in the most enthusiastic and sympathetic spirit.

WORK FOR GROUP CONFERENCES

As a result of these group conferences it is hoped that before the close of the general conference the delegates from each foreign country will submit a written report of such of the proceedings of the group conferences as they may desire to have incorporated in the proceedings of the general conference. These proceedings will be published in English and Spanish, and will be given general distribution. If the foreign delegates should be unable to submit such reports before the close of the general sessions, the publication of the proceedings of the conference will be delayed for a reasonable period in order that ample time may be allowed the foreign delegates to forward such reports as they may care to submit. Among the subjects which I would respectfully suggest that the group conferences consider are the following:

1.—Public Finance.

Public revenues and expenditures as affected by recent events in Europe.
Measures adopted to meet the situation.
Proposed remedies.
Possibilities of international co-operation.

2. The Monetary Situation.

Conditions prior to the outbreak of the European war.
Effects of the war.
Possibilities of international co-operation.
Outlook for uniform monetary standards.

3. The Present Banking Situation.

Conditions existing prior and subsequent to the outbreak of the European war.
The establishment of branch banks and of direct exchange.
Possibilities of further international co-operation.

4. The Financing of Public Improvements.

(a) The underwriting of national loans.
(b) The underwriting of provincial or state loans.
(c) The underwriting of municipal loans.
(d) The relation of public credit to a well organized system of taxation and a balanced budget.

5. The Financing of Private Enterprises.

(a) The present needs of public service companies, such as railroad, street railway, electric light, gas, and power companies.
(b) The needs of merchants and manufacturers.
(c) The financing of seasonable crops.
(d) The consideration of plans to secure a more satisfactory status for collateral as security for commodity loans.
(e) The possibility of securing greater uniformity in the laws relating to trade and commerce, in customs regulations, and the more effective protection of trade-marks.

6. The Extension of Inter-American Markets.

(a) Long term credits as a means of stimulating Inter-American trade.
(b) Acceptances and discounts (including warehouse receipts) as a means of extending Inter-American trade.
(c) The establishment of direct exchange (often referred to as "dollar exchange") as a means of extending American trade.
(d) The adaptation of the manufactured products of the United States to the needs of the nations of Central and South America.
(e) Tariff laws as they affect trade with the United States.

7. Merchant Marine and Improved Transportation Facilities.

(a) Increased and improved ocean transportation facilities.
(1) The present needs in this respect.
(2) Statement of shipping facilities now enjoyed.
(3) Suggestions as to the best means of securing improved transportation service.
(4) What public or private encouragement for improved transportation facilities can be expected from the countries represented at the conference.
(b) Improved postal facilities (including money orders) and parcel post.

It must not be understood that the group conferences are to confine themselves to the questions I have suggested. They may discuss any other subjects or matters that they or the delegates of the United States may care to introduce.

There will be several general sessions of the conference, at which subjects of common interest will be considered. These subjects may be covered under three heads: Finance, Commerce, and Transportation.

Finance and commerce, or trade, march hand in hand. They, in turn, depend upon adequate means of transportation and communication. It is hoped that in the general sessions the delegates from the foreign countries as well as the bankers and business men of the United States, will discuss these subjects or any related subjects in the fullest and frankest manner.

The questions of ocean transportation and improved means of communication are particularly interesting at this time, and a full expression of opinion upon these important phases of the general problem will be of value. Remedies can not be applied nor the fullest measure of co-operation secured unless complete and authentic information is supplied.

The postmaster general of the United States has kindly consented to discuss the subject of improved postal facilities to South America, and the secretary of commerce of the United States has been good enough to agree to discuss some of the important questions of commerce. I am glad to leave these questions to the superior abilities of my distinguished colleagues, and hope that their remarks may encourage the members of the conference to engage in a general discussion of these interesting subjects. The question of the establishment of branch banks of the United States in the various South and Central American countries, and the establishment by those countries of branch banks in the United States, deserves your earnest attention. Commercial credits and direct exchange, and the facilitation of commercial transactions depend upon the right sort of financial organization. Under our federal reserve act the national banks of the United States have consolidated and organized their credit resources in such a way that they are, for the first time in the history of this country, prepared to do a large amount of foreign business. They are also, for the first time in our history, authorized by law to establish branches in foreign countries. Already some of our banking institutions have established branches in South and Central America. Under our federal reserve act the federal reserve banks themselves may, with the approval of the federal reserve board, establish agencies in foreign countries. The potentialities of the federal reserve act are not yet fully appreciated, I think, by our own people, but as time goes on its beneficial effects will be more and more felt and more and more realized. We have now the opportunity to become a powerful factor in world finance, not only because of the federal reserve act, to which I have alluded, but because of the strength of our own economic position.

COMPLETION OF PANAMA CANAL

This conference meets at a time when we are celebrating the removal of the greatest physical obstacles to closer commercial relations between North and South America. The completion of the Panama canal possesses a significance far deeper than the economy of time in transportation. It means the establishment of a new community of trade interests, and must inevitably bring with it closer cultural and intellectual relations between the northern and southern sections of this hemisphere.

A combination of circumstances and forces, economic, political and moral, is bringing us each day to a fuller realization of the part that we are called upon to play in giving to the world an example of the possibility and practicability of international co-operation.

Nothing would so stimulate trade between the southern republics and the United States, and