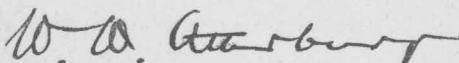


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AMERICANISM WILL WIN!



PRESIDENT, PENNSYLVANIA RAILROAD

Address before the
PENNSYLVANIA SOCIETY
December 16, 1933

AMERICANISM WILL WIN!

An Address

by W. W. ATTERBURY

At the Thirty-Fifth Anniversary Dinner of the Pennsylvania Society, held in the Waldorf-Astoria Hotel, New York City, Saturday evening, December 16, 1933, General Atterbury was presented with the Gold Medal of the Society. His address of acceptance is printed on the ensuing pages.

THE distinction you have conferred upon me this evening is one which I appreciate beyond expression. I cannot but feel that your generous tribute is in fact not so much to me personally as it is to the great railroad of which I have the honor to be president. I like to feel that that railroad is one of the greatest sources of pride to all Pennsylvanians. I am not here to make a speech about the Pennsylvania Railroad, nor about railroad problems, but as this enterprise was conceived and born in Pennsylvania; as its growth has been so intimately identified with that of the State; as its major operations are today so closely interwoven with the activities of the State; it occurred to me that it might be of interest to you to know a few facts about the Company which might not have been drawn to your attention.

A PENNSYLVANIA INSTITUTION

The Pennsylvania Railroad represents a property value of upwards of \$2,500,000,000—an amount greater than that owned by any other corporation in the United States with the exception of the American Telephone and Telegraph Company, whose operations cover the entire nation. This property is owned by upwards of 250,000 stockholders, a very large percentage of whom are women; and no one, and no group of stockholders, owns more than a small fraction of the total stock. The Company has never, since its organization, defaulted upon an obligation, and in none of the 87 years of its existence has it failed to pay a return to its stockholders.

The Company serves 13 States and the District of Columbia, the most populous part of this country. We handle about one-tenth of the freight and one-fifth of the passenger traffic of all the railroads of the United States. Though the territory which we directly serve is generally known as that comprising the Eastern District, yet our service has such a direct relationship to the commerce and welfare of all the other States, which in so many ways we serve indirectly, that the Pennsylvania Railroad is in a real sense a national institution. It is a source of great pride to me, and I am sure it is to you, to know that our State has developed an institution which in such a large sense is able to contribute to the comfort, the prosperity and the happiness of all of the States in the Union.

It may also be of interest to this audience to know that of the ten men who have filled the office of president of the Pennsylvania Railroad, since its organization in 1847, all have been Pennsylvanians. Seven were native-born; the other three became citizens prior to their election. Whether a coincidence or not, that is in complete harmony with the history and traditions of our Company.

THE "ISM" THAT WILL SURVIVE

But enough of the Pennsylvania Railroad. I would like now to say a few words to you upon other matters which are very much in the minds of the American people. We are just out of the trough of the greatest depression this country and the whole world has ever seen. So severe has been the disturbance of our financial, economic and social life that it has tended at times to shake the faith of some of us in principles and policies which have guided our nation from the beginning. Let me state immediately, however, that so far as I am personally concerned, I have never for one moment doubted that we would emerge safely from this depression and that the lessons of it would but make for a greater and better America, with the best of our institutions and with the best of our national principles more firmly established than ever.

We see all sorts of isms being tried in various parts of the world. There is Communism, Fascism, National-Socialism, and what-not. My own conviction is, however, that in the long run, out of all these isms, we shall find that Americanism—old-fashioned, rugged Americanism in its best sense—will be the ism that will emerge triumphant.

What do I mean by Americanism? I mean, above all things, the maintenance of national institutions which give the largest possible opportunity for the development of the best there is in each individual. You may call this "rugged individualism," and yet rugged individualism does not mean giving to any individual the right to pursue a life solely devoted to his own individual aggrandizement without reference to the rights and welfare of the other individuals which make up our great people. But there is a very great difference between the maintenance of this kind of rugged individualism and any effort at the regimentation of individuals. I do not think the people of this country want a regimented life. All of us want the opportunity to live—along with our neighbors—our own lives in our own way, to develop our own personalities, and, if you please, to seek our own fortunes.

The popular uprising against prohibition was, in my judgment, at heart a rebellion on the part of the whole American people against any effort to interfere with the fundamentals of personal liberty. So long as a man lives his own life without interference with the rights and privileges of his neighbor, he is merely doing that for which our forefathers migrated from Europe to this country to find opportunity. The preservation of that opportunity in all the future is, it seems to me, the fundamental principle of the truest Americanism.

PROFITS AND WEALTH PRODUCTION

I have said that each of us wants the continued right to develop his own personal fortune. And this prompts me to say a word about the relationship of profits to business. The

high standard of living which our people enjoy has been developed through belief in the right of individuals and in the right of industries to earn a profit upon the work which they do. That right is the stimulating force of our whole business organization. With all of its faults, that principle has produced magnificent results. That the profit should be a reasonable profit goes without saying. But there is a difference between being allowed to earn fair profits by fair methods, and the abuse of the principle which we call profiteering.

Those who believe that the profit-motive can be supplanted or eliminated, and that the progress of the world can go forward without it, *deny*, in my judgment, the validity of one of the essential principles upon which our own country has developed so amazingly.

Whatever else may be said about capitalism, it is common knowledge that it has produced wealth in unbounded quantities. Evils and inequities in the distribution of that wealth have undoubtedly arisen, but that the wealth has been created under the operation of the capitalistic impulse cannot be doubted. It is, indeed, in the problem of the *distribution* of that wealth that the social reformer finds his material to work with.

We are indebted for that wealth to the present system—if it may be called a system. Many of the most drastic views advanced concerning the holding or the distribution of private property would not be advanced except for the fact that *the property has come into existence*. If the wealth is not produced, it can not be distributed at all.

THE PRESIDENT MUST BE SUPPORTED

But people tell us that this depression has shaken the very basis of capitalism. I do not believe that it has. It is in that disbelief that I have been glad to join with the great army of our American citizens who are supporting the policies of the President of the United States in his efforts to pull this country

out of the depression. I am an enthusiastic believer in the patriotism, the courage, and the resourcefulness of Franklin D. Roosevelt. Though a strong Republican in my political affiliations, I have felt and still feel that this is no time for the assertion of political partisanship. It is time for the whole nation to pull together behind the President.

The thing which I like most about the President is his willingness to experiment and to try new things, and his frankness in saying that if he finds the experiments do not work, he will change. He has also expressed his desire to be given the benefit of constructive criticism and suggestions.

GOLD—THE ANTI-TRUST ACTS—CODES

As I look back upon the situation, it might have been well for us in this country to have gone off the gold standard at the same time that Great Britain did. However, we bombarded Congress with messages asking increases of our tariffs to offset the disadvantages in the international exchange.

England found that she was losing her share of the world's business because of high cost of production and, not daring to cut wages, she took the alternative of reducing the value of Sterling. We did not go off the gold standard until we were forced to do so by the rapid flight of gold from this country. The effect of going off gold has been to so depreciate the dollar, in terms of foreign exchange, that in our competition in the world's markets we are again resuming our place as a great exporting nation. We did, however, previously endeavor to bring about, through wage revisions, a lower cost of production, which cost has risen to a prohibitive level through the constantly increasing wage scales during the years of rapid expansion.

I have for several years advocated the modification of the Sherman and Clayton Acts, believing that the unbridled competition in our main industries was one of the chief disturbing forces. The N.R.A. code is one method of accomplishing this,

and, if intelligently administered, will be a welcome part of our general economic framework. It seems to me, however, that we have gone too far and have perhaps bitten off more than we can chew. The many small industries, in their endeavor to become codified, have made successful administration of their affairs extremely difficult, if not impossible; whereas, had the codification been confined to the larger industries it would perhaps have embraced a relatively large proportion of our business with the disturbance of only a small proportion. As the success of the experiment was assured, its expansion would naturally follow.

Also, in my judgment, the cart has been put before the horse in the attempt to raise wages in advance of increases in production and consumption, and consequently in the funds out of which it is possible to pay higher wages. Our small industries—and, after all is said and done, they are the backbone of our industrial life—after several years of depression, find themselves in a position where their credit has become exhausted and their operations show results either in the red or at least close to that line. In that situation they are practically forced to increase wages. If increases in prices and consumption could have been brought about in advance of increases in wages, that would have enabled our industries to have shown a proper balance sheet and one of a type that would have given them credit at the banks for loans to increase their production.

BANK CREDIT AND LABOR POLICIES

A great deal of criticism has been levelled at our banks because they have hesitated to extend credit to industry. But, after all, a bank is a depository for your money and mine, and is, or should be, handling that money for us in our best interest. The commercial loan has always been considered one of the best and safest types of loan, and yet no loan can be soundly made unless the borrower's statement of condition and prospects is such as to warrant the credit sought. The increasing of wages

ahead of increases in prices has worked the other way and has tended, not only to prevent credit extension, but also to shut down a number of our smaller industries and thus, rather than alleviating the unemployment situation, has produced greater unemployment.

Further, and most unfortunately, organized labor has taken advantage of the situation at Washington to launch ill-timed movements aimed at the domination of industrial wage and working relations. The result has been that we have had strikes, disorders, and serious disturbances in many industries where, previously, the friendly and increasingly cordial relations between employes and managements were of a character that should have been encouraged to continue on their course of progressive improvement, and wisely fostered and helped rather than disturbed.

SOUND AND HONEST MONEY

There is one of the President's policies which, particularly for the moment, has excited great public discussion, and that is his experimentation with our monetary system. I am frank to say that I am not enough of an expert in monetary theory to pronounce judgment upon the possibility or the probability of lifting the price-level by depreciation of the gold value of the dollar. Nor do I understand the complexities involved in the so-called "commodity dollar." But of this I *am* convinced: The monetary system of the country must be one in which the people have absolute confidence. When a man makes a contract, he must feel assured that the medium of exchange with which that contract will be liquidated is one upon which he can depend. This type of sound dollar depends absolutely upon the maintenance of government credit. The maintenance of government credit depends upon the fiscal policy of the government being such that the government will spend no more money than it takes in. If it issues bonds, it must be possible to meet the service upon those bonds out of taxation which the national

economy can yield without injury to the national health. This means that there can be no printing of paper money, and nothing done that will impair the honesty and soundness of the American dollar.

Do not forget that an important influence affecting the value of our dollar is what the other fellow thinks of it. As our recovery proceeds, a balanced budget will play a great part in improving the position of the dollar's value in the world's markets.

The wisdom of such principles as I have stated must be apparent to any wise thinker. The reading of history shows clearly the dangers and the disasters involved in any plan of currency inflation.

And now let me say this: I, for one, am convinced that President Roosevelt is determined to assure to this country the maintenance of a sound dollar. My examination of his utterances and my appraisal of his policies convinces me that he, as much as anyone else, is opposed to inflation, and that he is firmly determined to maintain the national credit. I think it is a mistake to have the slightest wavering in our faith in the President's purposes in these respects or in our belief in his ability to make his purposes effective. I believe, accordingly, that it is our duty to stand by the President and to make him understand unmistakably that we believe in him, that we are confident that he knows what he is doing, and that we are equally certain that he will bring the country out of this depression.

THE FUTURE—AN OPTIMISTIC OUTLOOK

From what I have said to you, you will see that I am distinctly an optimist. I do not believe it is a time for gloom. And this sentiment on my part is not merely whistling to keep up my courage. *Business is improving. More men are being employed. Goods are moving into consumption. The purchasing power of the farmer is already vastly improved.*

The whole attitude of the people is changing. I am confident that next year is going to be a better business year than the one we are now completing.

I suggest, therefore, that it is a time to stop shaking our heads and expressing doubts and misgivings. The whole world looks on the battle we are waging; for the depression has afflicted the peoples of every country. When we win—as we must—the enthusiasm and confidence arising from our victory will spread itself around the globe, and the whole world will once again move in the direction of progress and prosperity.