

Chapter 24

BENJAMIN STRONG¹

The premature death of Governor Benjamin Strong of the New York Federal Reserve Bank at the age of fifty-one is a real misfortune. Governor Strong had been at the head of the Bank ever since the inception of the Federal Reserve System in 1914, and had been by far the most important guiding influence in the evolution of the system ever since. His integrity, independence, and real insight into the problems of his office have been of inestimable value, and there were very few, even in academic circles in the United States, who had thought more deeply—as witness his evidence before the Stabilization Committee of Congress two years ago—on the fundamental problems of the regulation of credit. The ‘open-market policy’, which in the United States is now hardly less important than the discount rate, as a method of controlling credit developments, was in its present form largely his creation. We also lose in him a man of wide international sympathies, who was always ready to play a wise and generous part in alleviating monetary difficulties abroad, and a firm friend of this country. His peculiarly intimate relations with the present Governor of the Bank of England ensured a measure of co-operation between the two institutions, without which our own currency problems would have been even more embarrassing. The question of the possible policy of his successor, not yet appointed, introduces a new element of doubt into the already dubious prospects of an effective international control of the price-level.

¹ From the *Nation and Athenæum*, 28 October 1928.