An address before a great gathering in Boston last winter was concluded with the following remarks:

"Ours is the tragic privilege of living in the greatest military crisis since Napoleon, the greatest economic crisis since Adam Smith, the greatest human crisis since the fall of the Roman Empire. But if ours is tragic privilege, it is also a magnificent opportunity to mould and to form and to direct these inevitable changes so that they will be for the benefit of all the American people."

We might expect such words as these to come from a learned historian, or a crusading clergyman, or a distinguished statesman, or a discriminating journalist. As a matter of fact, the speaker was none of these. He was a prominent businessmen, the head of the organized business interests of our country.

From a Business Man

I take these remarks by Mr. Eric Johnston, President of the United States Chamber of Commerce, as a point of departure for my address this morning. They are noteworthy, not only for the far-reaching economic, political and social changes they portray. They are doubly significant, it seems to me, because they come from a business leader who recognizes the new day in business relationships now at hand, a leader who is thoroughly alive to the new role which business citizenship must play in this kaleidoscopic world.

It is this new business citizenship to which I would direct your thoughts. You members of the graduating class have indicated a preference for commerce as the field for your careers. Here, these recent years, you have received
specialized training better to prepare yourselves for specific duties in the several fields of business and of industry.

The Significance of Commencement this Year

Yours is no ordinary commencement. Commencement should always bring a sense of gratification; it is a time of inspiration. But commencement days of former years were pale in their significance as compared with the tremendous import of graduation in this year 1943.

It probably is no exaggeration to say that never before has the world needed so urgently a body of young men and women thoroughly prepared for all types of special duty. Never has there been a time of greater opportunity for the college graduate with specialized training; never has there been a time of greater challenge for the youth of America.

While this may be said of graduates in many fields of specialized training, it is particularly true of the young men and young women who are preparing for careers in business. For the changing conditions of today and of tomorrow will call for a new concept of business relationships and a new type of business leadership.

Blazing the Trail of Human Progress

Trade and exchange are among the oldest of human activities. As man has risen to conquer his environment, as civilization has slowly unfolded, commerce has played an ever-increasing role in the realm of human endeavor. Until recently, we have been prone to think of history in terms of political and military achievement; but behind the story of great rulers in both war and in peace, we discover the thread of economic history determining the course of human events. The lure of gold and the riches accruing from trade have sent ships over uncharted seas, have brought explorers to undiscovered shores, have sent caravans across forbidding frontiers, have prompted the settlement of savage lands, have led conquering
armies into foreign lands, have caused the intermingling of the races, white and black, yellow and red. Likewise, the urge of commerce has inspired men to their greatest achievements, to covering the earth with a network of ship lanes, highways, railroads, and airplanes; the demands of trade have inspired new inventions and great feats of engineering, the building of bridges, of tunnels, of skyscrapers, and of mammoth factories. Man's mastery of materials have conquered disease, promoted higher standards of living, raised great educational and cultural institutions, which have been marred, but not erased, by the devastations of periodic wars. We cannot ignore the economic forces which have shaped and are still shaping our destiny.

The content and the standards of business have changed as the customs of society have changed. There has been no period in the economic history of the world when these changes have been more far reaching and more significant than during this generation. In these changes, I believe, we find one of the most hopeful signs for the future of society.

**Changing Concepts of Business**

Traditionally through the centuries, the business man, in the public mind, has been the creature of materialism, dominated by selfish motives. He is presumed to be in business for himself, constantly endeavoring to advance his own interests. Consequently he has been associated with shady dealings and sharp practices. His standards of integrity have been under suspicion. He was naturally expected to place private gain above public welfare. It is easy to see how this attitude toward business became ingrained in the human mind from generation to generation. Integrity was not looked for in the business world. The money lender was regarded as a usurer, and there were few lower in the social scale than the tax collector. The merchant was envied for his riches, but he was accorded little love or respect. Such an attitude en-
couraged inequalities in the distribution of wealth, which led to great social wrongs. These were the old concepts of business.

In time, however, man began to realize that honesty is the best policy. He discovered that the most successful business man is not the one who is concerned primarily with his own interests. During the past two or three generations, many of our leaders of industry and of finance have demonstrated a seemingly new philosophy of business, based upon high standards of practice. This doctrine in reality is not new. It was pronounced centuries ago in the Golden Rule, but man has been slow to follow it. Now, however, it is commonly recognized that the most successful business is the one that contributes the largest service to society. The old motive of private gain has given way to a new sense of public responsibility. "He profits most who serves the best" is a byword of successful business groups. The intricate, inseparable relationships between the economic, the social and the political forces in our modern order are increasingly appreciated.

Now, as Mr. Eric Johnston has said, since it is our tragic privilege of living during this great crisis in human history, it is also our magnificent opportunity to mould and to form and to direct the inevitable changes that will take place through this global conflict and the years of reconstruction to follow. This is the great challenge which faces you young people graduating in this year 1943.

By improving his economic status, man has done much to advance human welfare, but he is still far from his goal. Many faults still remain; many dangerous weaknesses threaten our economic structure. Let us examine some of these, and see how they present a challenge to business citizenship in the post-war world.

Common Interests of Capital and Labor

One of our principal problems lies in the relationship between employer and employee, or, in popular phraseology, in the relationship of capital and labor.
We have gone a long way in this country in improving the status of labor. The advantages of organized labor and of its rights under democratic government are today accepted by common consent. However, we have only recently witnessed the grave threat to our national integrity that organized labor holds when dominated by self-promoting, irresponsible leaders. Both labor and capital are entitled to their own prerogatives, but above both is the public interest. Furthermore, neither party is sufficient unto itself alone. The salvation of each lies in co-operation with the other. They must work together. Continued opposition is nothing short of suicidal. Here is a great field of human relations which must find its solution, not in more legislation, not in the application of force, not in threats and in bickering, but in enlightened leadership and intelligent followership, in the recognition of a vital bond of common interest, in an understanding of each other’s points of view, in the will to co-operate, and in an abiding sense of the public responsibility. Both capital and labor need leaders who have studied history and sociology and psychology, who understand human relations, and who are devoted to the public good. Where shall we find such leaders if not among the graduates of our colleges in the field of business.

**Government Regulation vs. Free Business Enterprise**

A second problem, which is particularly acute today, is that of maintaining the proper balance between government regulation of business on the one hand, and the maintenance of free business enterprise on the other. From past experience we know that the relationships of business and industry with the several branches of government are a major consideration at any time. They are particularly so when complicated by the demands of wartime.

Free business enterprise is a cornerstone of democracy. Without it, the American commonwealth would not be what it is today. It explains in large
hand, and the maintenance of free business enterprise on the other. From
past experience we know that the relationships of business and industry with
the several branches of government are a major consideration at any time.
They are particularly so when complicated by the demands of wartime.

Free business enterprise is a cornerstone of democracy. Without it, the
American commonwealth would not be what it is today. It explains in large
measure the vigor, the growth, the economic power, which are the genius of our
country. We cannot regard the freedom of the American citizen as complete
unless, to the traditional freedoms of speech, of press, of assembly, and of
religion, is added freedom of business enterprise.

Yet this, like other freedoms in our land, has not been without abuse.
Freedom of business enterprise does not license the exploitation of minority
groups or of individuals less favored economically or socially. It does not
imply freedom to engage in private pursuits which are contrary to the public
good. Some form of government regulation is necessary. And do not think for
a moment that such regulation is a new idea. It is almost as old as law it-
self. You need only glance through the statutes passed by the assemblies of
the American colonies, including our own Rhode Island, to realize that our
lawmakers in pre-Revolutionary days also were acquainted with the headaches
that attend the effort to keep business practices within proper bounds.

In wartime many practices which normally are given free rein must be sub-
jected to rigid control. We Americans, during this past year, have been sub-
jected to government control to a degree unparalleled in the 150-odd years of
the nation's existence. It runs counter to our traditional independence. It
is a departure from the philosophy of democratic life as we have understood
it. It is in conflict with our traditional concept of the American way. Never-
theless, we have no choice but to accept it and to make the best of it. Because
it is naturally distasteful, as well as new in our experience, no wonder there
has been confusion in government circles in its organization and its application.
Listen to a typical conversation today, whether it be around the stove in a corner grocery, at a Rotary Club luncheon, in a college fraternity house, or at the ladies' bridge club. Sooner or later you will hear mention of fuel conversion, priorities, tire rationing, driving bans, food points, price ceilings, quotas, freezing in one's job. Add to this the staggering list of alphabetical government bureaus, and you have a vocabulary which to most of us two years ago would have seemed like so much Greek. We need look no further to realize how far we have gone in bringing business and industry under government control during this war emergency.

All this is a necessary by-product of the war which we accept leathfully, but generally in good spirit. Some of these controls we shall have to continue during the adjustments which follow the war. But let us hope they will be reduced to a minimum. And let us now perfect our plans for the revival of free business enterprise as soon as possible after the war is over.

This is one of the most important questions which American business faces today. It, too, will call for foresight, patience, and leadership of the highest order, a leadership we have reason to expect from the graduates of our business schools, colleges and universities.

The World Outlook of American Business

A third major question concerns the position American business shall occupy in the commerce of the world. What shall the future trade policy of the United States be? American industries have risen under the benevolent protection of a tariff wall. This accounts for much of the strength and the volume of American manufactures, but the result has not been an unmixed benefit. Certainly this global conflict is sufficient proof that something has been radically wrong with our international policy. The philosophy of isolationism now
seems to be thoroughly exploded. We avoided foreign entanglements just as
long as we could, but eventually found ourselves in the dilemma of being
enmeshed in the problems of every continent on the face of the earth. This is
the unenviable position to which isolationism has brought us.

It seems like a strange turn of fate that the richest of all nations in
productive enterprise, which sought to protect itself against competition from
cheap labor in other lands, is now called upon to furnish the lion’s share of
funds, of food, and of fighting material upon which victory depends.

When this war is over, the unparalleled burden of reconstruction will fall
heavily upon America. For years, it will be necessary for us to feed starving
peoples, to send them the materials, the tools, the machinery, for rebuilding their
cities. There will be an unprecedented call for the products of our farms and
our factories. Not only shall we have to continue for a considerable time to
maintain our military forces abroad. We shall need to send to occupied territ-
ories our young men and our young women engineers, physicians, health officers,
social workers, business advisers, and specialists in government, to help the
togethering peoples of Europe, of Asia, and of Africa in the rehabilitation of
their devastated lands, and in the building of a new economic and political
order. Herein lies another great opportunity for the present generation of
graduates of our institutions of higher learning.

Keeping Step with Technological Progress

A fourth phase of business life in this modern world is not so much a
problem as it is a challenge. I refer to the advances in technology and the
revolutionary effect they have had, and will continue to have, upon business
and industry. You have only to compare the common practices of 1940 with those
of 1916 to be aware of the epic changes that can occur in a brief quarter of a
century. And such changes are always accelerated by the necessities of war-
time. Among the most revolutionary influences of World War I was the stimulus
it gave to American chemical industry. This effect did not cease with the
close of that war, but, through the years which followed, resulted in a con-
tinuous train of new discoveries, new products, new processes, which in turn
have meant new advances in the mode of our living. During this war, the
principal technological advances appear to be in the fields of communications
and of transportation. Already we see far-reaching results in the develop-
ment of aviation and in the perfection of radio, which will touch the lives
of every citizen and transform many of our commonplace practices. Further-
more, in our research laboratories, in our industrial plants, in government bureaus,
in our colleges and universities, discoveries not yet revealed to us are being
made, which after the war promise even greater advances in our economy.

Our young business leaders must be looking ahead to these inevitable
changes. They must be ready to make the adjustments in business and in in-
dustry which these changes will require. They should be eager to seize the
opportunities which new developments offer, and be at the forefront in an en-
lightened business leadership which keeps abreast of technological progress.

**Integrity the Foundation of Business Citizenship**

These are some of the problems which the business leaders of today and
of the future must face. These are some of the challenges to business citizen-
ship. And through them all is required today as never before the practice of
sound business ethics. Unless our business citizenship of the future is built
upon the firm foundation of honesty and integrity of character, these problems
will not be met, and mankind will be the loser. Whether it be in the relation-
ship of capital and labor, in government regulation of business and industry,
in our business relations with other nations, or in keeping abreast of tech-
nological progress, American business citizenship will discharge its obligation to society according to the measure of intelligence and of integrity which motivates it. The Golden Rule is still the best rule of practice in business.

The Role of our Colleges

Our schools and colleges of business have done much to erase the stigma of self-seeking materialism with which business traditionally has been branded. They have done much to inculcate high standards of ethics in the realm of commerce. They have helped to elevate business to a plane which commands prestige and respect. They have shown that business enterprise furnishes an honorable and a useful outlet for the trained mind and the cultured spirit. They have recognized that productive industry and trade have contributed substantially to a more intelligent citizenship, to improved public health, to better living conditions, to the public welfare, and to greater human happiness.

Happily, you of the graduating class have had the advantage of the broadened point of view, and of the special training which your college has provided. You are in a favored position as you enter upon your life calling. You will be a part of the new business order. You will be called upon to help make it work. We wish for you not only a full measure of personal success, but also the greater satisfactions which attend a career dedicated to the highest tradition of business citizenship.