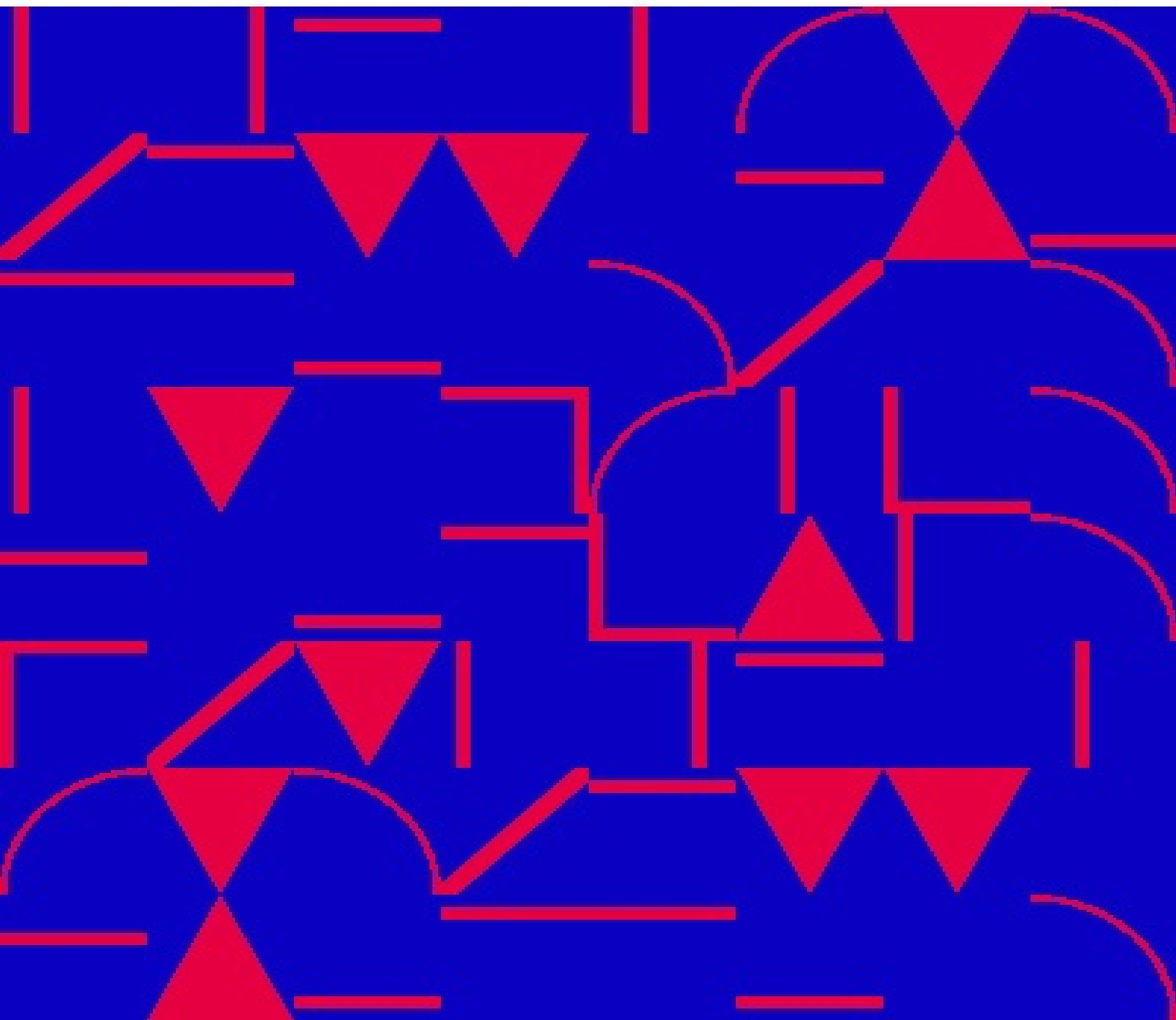


The business career in its public relations

Albert Shaw



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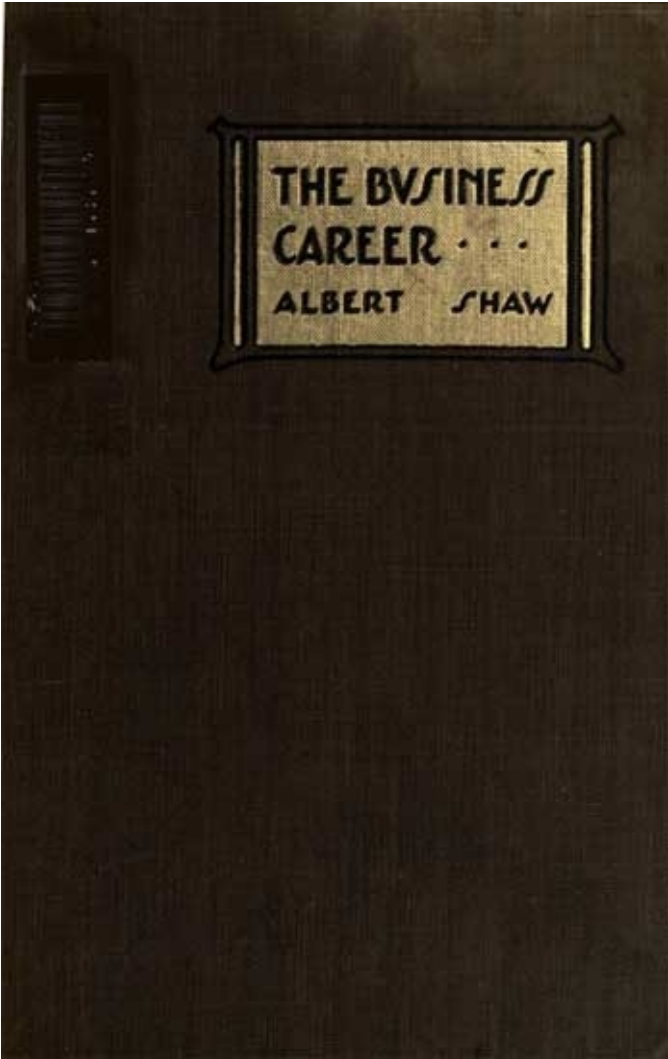
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THE BUSINESS CAREER

Barbara Weinstock Lectures on The Morals of Trade

This series will contain essays by representative scholars and men of affairs dealing with the various phases of the moral law in its bearing on business life under the new economic order, first delivered at the University of California on the Weinstock foundation. The first volume to appear in this series is:



THE BUSINESS CAREER. By Albert
Shaw, Ph.D.



Paul Elder and Company
San Francisco

THE BUSINESS CAREER IN ITS PUBLIC RELATIONS BY

ALBERT SHAW, PH.D.

**EDITOR OF THE
AMERICAN REVIEW OF REVIEWS**

It is the positive and aggressive attitude toward life, the ethics of action, rather than the ethics of negation, that must control the modern business world, and that may make our modern business man the most potent factor for good in this, his own, industrial period.

**PAUL ELDER AND COMPANY
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The Tomoyé Press

THE cultivation of public spirit, in the broad sense, and the determination to be an all-round good and efficient citizen and member of the community, will often help a man amazingly to discern the opportunities for usefulness that lie in the direct line of his business life.

THE FOUNDER'S PREFACE

DESPITE all that can still be said against trade practices, against the business lies that are told, the false weights and measures that are used, the trade frauds to which the public is subjected, we are nearer a high commercial standard than ever before in the world's history.

Man's confidence in man is greater than ever before, the commercial loss through fraud and dishonesty is constantly diminishing and standards are slowly but surely moving upward. The honest man's chances for success in business are better than ever before, and the dishonest man's chances for lasting commercial success are less than ever before. To grow rich by failing in business is no longer regarded as an act of cleverness. The professional bankrupt finds it more and more difficult to get credit. He soon discovers that even his cash will not win for him the attention that his poorer neighbor commands simply by his character.

Education has done splendid service in raising commercial standards. As a rule, the high-toned business man is enlightened, and, as a rule, the dishonest, unscrupulous man in business is ignorant. Great aid in the direction of raising commercial standards may be rendered by the further spreading of knowledge and enlightenment. There are still many misguided men in business who imagine that there can be no success without false weights and measures, without lies and deceit. It is the duty of every man in business, who loves the work in which he is engaged, to do whatever he can to correct this mistaken notion, and to arouse the same sense of honor in the circles of commerce that, as a rule, is found in professional life.

In the decades to come men will take as much pride in being engaged in trade as men always have taken in being members of a liberal profession.

It seemed to me that a step toward hastening such a day might be taken by inviting the best thoughts of some of the country's best minds on the subject of "The Morals of Trade."

What better platform for the expression of such ideas than that furnished by the College of Commerce of the University of California? What better way to spread such thoughts than by means of their distribution in printed form? What better way to train to higher commercial standards the minds, not only of the youths who are seeking a university education and who have in view a business career, but also of the many already engaged in business who have not had the benefit of a college training?

It seemed to me that such a step might set in motion a commercially educational force which would prove far-reaching in its influence and most helpful in raising business character.

Thoughts such as these prompted the recent establishing of the lectureship on "The Morals of Trade" in connection with the College of Commerce of the University of California.

Let the hope be expressed that this is but the beginning of a movement which may be taken up by abler and wealthier men in business and broadened in many ways. A growing literature on "The Morals of Trade," representing the best thoughts of our best minds, is likely to live and to do splendid service in elevating commerce and in raising its standards.

H. WEINSTOCK.

THE purpose of this discourse is to set forth some of the social and public aspects of trade and commerce in our modern life. We have heard much in these recent times concerning the State in its relation to trade, industry, and the economic concerns of individuals and groups. Rapidly changing conditions, however, make it fitting that more should be said from the opposite standpoint;—that is to say, regarding the responsibilities of the business community as such toward the State in particular and toward the whole social organism in general.

Some of the thoughts to which I should like to give expression might perhaps too readily fall into abstract or philosophical terms. They might, on the other hand, only too readily clothe themselves in cant phrases and assume the hortatory tone. I shall try to avoid dialectic or theory on the one hand, and preaching on the other. I take it that what I am to say is addressed chiefly to young men, and that it ought to serve a practical object.

In the universities the spirit of idealism dominates. The academic point of view is not merely an intellectual one, but it is also ethical and altruistic. In the business world, on the other hand, we are told that no success is possible except that which is based upon the motive of money-getting by any means, however ruthless. We are told that the standards of business life are in conflict irreconcilable with true idealistic aims. It is this situation that I wish to analyze and discuss; for it concerns the student in a very direct way.

Our moralists point out the dangerous prevalence of those low standards of personal life and conduct summed up in the term "commercialism." We are warned by some of our foremost teachers and ethical leaders against commercialism in politics and commercialism in society. So bitterly reprobated indeed is the influence of commercialism that it might be inferred that commerce itself is at best a necessary evil and a thing to be apologized for. But if we are to accept this point of view without careful discrimination, we may well be alarmed; for we live in a world given over as never before to the whirl of industry and the rush and excitement of the market-place.

This, of all ages, is the age of the business man. The heroic times when warfare was the chief concern of nations, have long since passed by. So too the ages of faith,—when theology was the mainspring of action, when whole peoples went on long crusades, and when building cathedrals and burning heretics were typical of men's efforts and convictions—have fallen far into the historic background. Further, we would seem in the main to have left behind us that period of which the French Revolution is the most conspicuous landmark, when the gaining of political liberty for the individual seemed the one supreme

good, and the object for which nations and communities were ready to sacrifice all else.

Through these and other periods characterized by their own especial aims and ideals, we have come to an age when commercialism is the all-absorbing thing; and we are told by pessimists that these dominant conditions are hopelessly incompatible with academic idealism or with the maintenance of high ethical standards, whether for the guidance of the individual himself or for the acceptance and control of the community. It is precisely this state of affairs, then, that I desire briefly to consider. And I shall keep in mind those bearings of it that might seem to have some relation to the views and aims of students who are soon to go out from the sheltered life of the university,—under the necessity, whether they shrink from it or not, of becoming part and parcel of this organism of business and trade that has invaded almost every sphere of modern activity.

I have only recently heard a great and eloquent teacher of morals, himself an exponent of the highest and finest culture to which we have attained, speak in terms of the utmost doubt and anxiety regarding the drift of the times. To his mind, the evils and dangers accompanying the stupendous developments of our day are such as to set what he called commercialism in direct antagonism to all that in his mind represented the higher good, which he termed idealism. The impression that he left upon his audience was that the forces of our present-day business life are inherently opposed to the achievement of the best results in statecraft and in the general life of the community. He could propose no remedy for the evils he deplored except education, and the saving of the old ideals through the remnant of the faithful who had not bowed the knee in the temple of Mammon. But he pointed out no way by which to protect the tender blossoms of academic idealism, when they meet their inevitable exposure in due time to the blighting and withering blasts of the commercialism that to him seemed so little reconcilable with the good, the true, and the beautiful.

To all this the practical man can only reply, that if, indeed, commercialism itself cannot be made to furnish a soil and an atmosphere in which idealism can grow, bud, blossom, and bear glorious fruit,—then idealism is hopelessly a lost cause. If it be not possible to promote things ideally good through these very forces of commercial and industrial life, then the outlook is a gloomy one for the social moralist and the political purist.

It is not a defensive position that I propose to take. I should not think it needful at this time even so much as briefly to reflect any of those timorous and painful arguments *pro* and *con* that one finds at times running through the columns of the press, particularly of the religious weeklies, on such a question as, for example, whether nowadays a man can at the same time be a true Christian and a successful business man; or whether the observance of the principles of common honesty is at all compatible with a winning effort to make a decent living.

I am well aware that the thoughtful and intellectual founder of this lectureship, under which I have been invited to speak, takes no such narrow view either of morality on the one hand or of the function of business life on the other. His definition of morality in business would demand something very different from the mere avoidance of certain obvious transgressions of the accepted rules of conduct, particularly of that commandment which says: "Thou shalt not steal." Nor, on the other hand, would his definition of the functions of business life be in any manner bounded by the notion that business is a pursuit having for its sole object the getting of the largest possible amount of money.

Those people who are content to apply negative moral standards to the carrying on of business life remind one of the little boy's familiar definition of salt: "Salt," said he, "is what makes potatoes taste bad when you don't put any on." According to that sort of definition, morality in business would be defined as that quality which makes the grocer good and respectable when he resists temptation and does not put sand in the sugar. The smug maxim that honesty is the best policy, while doubtless true enough as a verdict of human experience under normal conditions, is not fitted to arouse much enthusiasm as a statement of ultimate ethical aims and ideals.

If it were admitted that the sole or guiding motive in a business career must needs be the accumulation of money, I should certainly not think it worth while, in the name of trade morals, to urge young men who are to enter business life that they play the game according to safe and well-recognized rules. I would not take the trouble to advise them to study the penal code and to familiarize themselves with the legal definitions of grand and petit larceny, of embezzlement, or fraud, or arson, in order that they might escape certain hazards that beset a too narrow kind of devotion to business success. It is true, doubtless, that a business career affords peculiar opportunities, and is therefore subject to its own characteristic temptations, as respects the purely private and personal standards of conduct.

The magnitude of our economic movement, the very splendor of the opportunities that the swift development of a vast young country like ours affords, must inevitably in some cases upset at once the sober business judgment of men, and in some cases the standard of personal honor and good faith, in the temptation to get rich quickly; so that wrong is done thereby to a man's associates or to those whose interests are in his hands, while still greater wrong is done to his own character.

But, even against this dangerous greed for wealth and the unscrupulousness and ruthlessness which it engenders, it is no part of my present object to warn any young man. I take it that the negative standards of private conduct are usually not much affected by a man's choice of a pursuit in life. If any man's honor could be filched from him by a merely pecuniary reward, whether greater or less, I should not think it likely that he would be much safer in the long run if he chose the clerical profession, for example, than if he went into business.

Sooner or later his character would disclose itself. It is not, then, of the private and negative standards of conduct that I wish to speak,—except by way of such allusions as these. And even these allusions are only for the sake of making more distinct the positive and active phases of business ethics that I should like to present in such a way as to fasten them upon the attention.

Many young men, to whom these views are addressed, will doubtless choose, or have already chosen, what is commonly known as a professional career. The ministry, law, and medicine are the oldest and best recognized of the so-called liberal or learned professions. Now what are the distinctive marks of professional life? Are the men who practice these professions not also business men? And if so, how are they different from those business men who are considered laymen, or non-professional? Obviously the distinctions that are to be drawn, if any, are in the nature of marked tendencies. We shall not expect to find any hard and fast lines. Many lawyers, some doctors, and a few clergymen are clearly enough business men, in the sense that they attach more importance to the economic bearings of the part they play in the social organism than to the higher ethical or intellectual aspects of their work.

I have read and heard many definitions of what really constitutes a professional man. Whatever else, however, may characterize the nature of his calling, it seems to me plain that no man can be thought a true or worthy member of a profession who does not admit, both in theory and in the rules and practices of his life, that he has a public function to serve, and that he must frequently be at some discomfort or disadvantage because of the calls of professional duty. The laborer is worthy of his hire; and the professional man is entitled to obtain, if he can, a competence for himself and his family from the useful and productive service he is rendering to his fellow men. He may even, through genius or through the great confidence his character and skill inspire, gain considerable wealth in the practice of his profession. But if he is a true professional man he does not derive his incentive to effort solely or chiefly from the pecuniary gains that his profession brings him. Nor is the amount of his income regarded among the fellow members of his profession as the true test or measure of his success.

Thus the lawyer, in the theory of his profession, bears an important public relation to the dispensing of justice and to the protection of the innocent and the feeble. He is not a private person, but a part of the system for supporting the reign of law and of right in the community. Historically, in this country, the lawyer has also borne a great part in the making and administering of our institutions of government. If, as some of us think, the ethical code of that profession needs to be somewhat revised in view of present-day conditions, and needs also to be more sternly applied to some of the members of the profession, it is true, none the less, that there clearly belongs to this great calling a series of duties of a public nature, some of them imposed by the laws of the land, and others inherent in the very nature of the occupation itself.

It is true in an even more marked and undeniable fashion that the profession of medicine, by virtue of its public and social aspects, is distinguished in a marked way from a calling in life in which a man might feel that what he did was strictly his own business, subject to nobody's scrutiny, or inquiry, or interference. The physician's public obligation is in part prescribed by the laws of the State which regulate medical practice, and in very large part by the professional codes which have been evolved by the profession itself for its own guidance. It is not the amount of his fee that the overworked doctor is thinking about when he risks his own health in response to night calls, or when he devotes himself to some especially painful or difficult case. Nor is it a mere consideration of his possible earnings that would deter him from seeking comfort and safety by taking his family to Europe at a time when an epidemic had broken out in his own neighborhood.

I need not allude to the unselfish devotion to the good of the community that in so high a degree marks the lives of most of the members of the clerical profession, for this is evident to all observant persons.

On the other hand, it cannot be too clearly perceived that there is nothing in the disinterestedness, and in the obligation to render public service characterizing professional life that amounts to unnatural self-denial or painful renunciation,—unless in some extreme and individual cases. On the contrary, professional life at its best offers a great advantage in so far as it permits a man to think first of the work he is doing and the social service he is rendering, rather than of pecuniary reward. I have myself on more than one occasion pointed out to young men the greater prospect for happiness in life that comes with the choice of a calling in which the work itself primarily focuses the attention, and in which the pecuniary reward comes as an incident rather than as the conscious and direct result of a given effort.

The greatest pleasure in work is that which comes from the trained and regulated exercise of the faculty of

imagination. In the conduct of every law case this faculty has abundant opportunity, as it also has in the efforts of the physician to aid nature in the restoration of health and vigor in the individual, or in the sanitary protection of the community. I hope I have made clear this point: that pecuniary success, even in large measure, in the work of a professional man, may be entirely compatible with disinterested devotion to a kind of work that makes for the public weal, while it is also worthy of pursuit for its own sake, and brings content and even happiness in the doing. And it is clear enough, in the case of a professional man, that he is false to his profession and to his plain obligations if he shows himself to be ruled by the anti-social spirit; that is to say, if he considers himself absolved from any duties towards the community about him; thinks that the practice of his profession is a private affair for his own profit and advantage, and holds that he has done his whole duty when he has escaped liability for malpractice or disbarment.

But the three oldest and best recognized professions no longer stand alone, in the estimation of our higher educational authorities and of the intelligent public. In a democracy like ours, with a constantly advancing conception of what is involved in education for citizenship and for participation in every individual function of the social and economic life, the work of the teacher comes to be recognized as professional in the highest sense. Teaching, indeed, seems destined in the near future to become the very foremost of all the professions. This recognition will come when the idea takes full possession of the public mind that the chief task of each generation is to train the next one, and to transmit such stores of knowledge and useful experience as it has received from its predecessors or has evolved for itself.

It is obvious enough that the work of the teacher gives room for the play of the loftiest ideals, and that its functions are essentially public and disinterested. But there are other callings, such as those of the architect and engineer, which have also come to be spoken of as professional in their nature. Their kinship to the older professions has been more readily recognized by the men of conservative university traditions, because much of the preparation for these callings can advantageously be of an academic sort. Architecture in its historical aspects is closely associated with the study of classical periods; while the profession of the engineer relates itself to the immemorial university devotion to mathematics. And in like manner the man who for practical purposes becomes a chemist or an electrician would be easily admitted by President Eliot, for example, to the favored fellowship of the professional classes for the reason, first, of the disciplinary and liberalizing nature of the studies that underlie his calling, and, in the second place, of the public and social aspects of the functions he fulfils in the pursuit of his vocation.

The architect, the civil or mechanical or electrical engineer, and the chemist, as well as the professional teacher, the trained librarian, or the journalist who carries on his work with due sense of its almost unequaled public duties and responsibilities,—all these are now admitted by dicta of our foremost authorities to a place equal with the law, medicine, and the ministry in the list of the professions; that is to say, in the group of callings which, under my definition, are distinguished especially by their public character. And in this group, of course, should be included politicians, legislators, and public administrators in so far as they serve the public interests reputably and in a professional spirit. Nor should we forget such special classes of public servants as the officers of the army and navy; while nobody will deny public character and professional rank to men of letters, artists, musicians and actors.

In all these callings it is demanded not merely that men shall be subject to the private rules of conduct,—that they must not cheat, or lie, or steal, or bear false witness, or be bad neighbors or undesirable citizens,

—but in addition and in the most important sense that they shall be subject to positive ethical standards that relate to the welfare of the whole community, and that require of them the exercise of a true public spirit.

The man of public spirit is he who is able at a given moment, under certain conditions, to set the public welfare before his own. Furthermore, he is a man who is trained and habituated to that point of view, so that he is not aware of any pangs of martyrdom or even of any exercise of self-denial when he is concerning himself about the public good even to his own momentary inconvenience or disadvantage. Public spirit is that state or habit of mind which leads a man to care greatly for the general welfare. It is this ethical quality that to my mind should be the great aim and object of training.

On its best side, what we term the professional spirit is, then, very closely related to this commendable quality in men of a right intellectual and moral development that we call public spirit. The chief difference lies in this: that whereas all professional men may be public-spirited in a general sense, each professional man should, in addition, manifest a special and technical sort of public spirit that pertains to the nature of his calling. The lawyer should have a particularly keen regard for the equitable administration of justice. The doctor should truly care for the physical wholesomeness and well-being of the community. The clergyman should be alive to those things that concern the rectitude and purity of life. The journalist should be willing to make sacrifices for the sake of the enlightenment of public opinion; and so on. Without either the general or the technical manifestations of public spirit, in short, the so-called professional man is a reproach to his guild and a failure in his neighborhood.

Now, what has all this to do with the moral standards that belong to the business career as distinguished from the professional life? My answer must be very clear and very direct if I am to justify so long an analysis of the ethical characteristics of the professions themselves. I have merely used the time-honored method of trying to lead you by way of familiar, admitted points of view to certain points of view that, if not wholly new, are at least less familiar and less widely recognized. The whole thesis that I wish to develop is simply this: that however it may have been in business life in times past and gone, there has been such a tremendous change in the organization and methods of the business world and also in the relative importance of the functions of the business man in the community, that the distinctions which have hitherto set apart the professional classes have become obsolete for all practical purposes in many branches and departments of the business world.

At least, the work of the responsible leaders is no longer to be regarded as essentially a thing of private concern and free from public responsibility. If the business world is not characterized, first, by public spirit and a sense of public duty in general, and, second, by the special and technical sense of public obligation that pertains to particular kinds or departments of business activity, then it is falling short of its best opportunities and evading its providential tasks. It is for the modern business world to recognize the conditions that have in the fulness of time given it so great a power and so dominant a position; and it must not shirk the responsibilities that belong to it as fully and truly as they belong to any of the professions.

I hold, then, that the young man of education and opportunity who proposes to go into a business career enters it not merely with a low and unworthy standard if his sole motive and object be to acquire wealth, but he also enters it in disregard of the ideas that fill the minds of the best modern business leaders. He

shows a pitiable lack of appreciation of the elements that are to constitute real business success in the period within which his own career must fall.

Let us consider, briefly, the evolution of our present-day economic or business life, and then take note of the necessary place that particular classes of business men must hold in the structure of our society. I, for my part, look upon this last century of economic progress,—under the sway of what is often called "capitalism" as a term of reproach,—as an immeasurable boon to mankind. It began with the practical utilization of several great inventions, notably that of steam power, which broke up the old household and village industries, gave us the modern factory system, and along with the development of railroads gave us the modern industrial city. This new and revolutionizing system of industry and business forced its way into a world of poverty, of disease, of depraved public life, of low morals in the main pervading the community,—a world for the most part of class distinctions in which the lot even of the privileged few was not a very noble or enviable one, while the state of the vast majority was little better than that of serfs.

Many writers have sought to throw a charm and a glamour over that old condition of economic life and society that followed the break-up of feudalism and that preceded the creation of our new political and industrial institutions. But with some mitigations it was for most people a period, as I have said, of squalor, disease, and degradation. The fundamental trouble could be summed up in the one word, *poverty*. The mission of the new industrial system, for the most part unconscious and unrecognized, was to transform the world by abolishing the reign of poverty. Doubtless it would be desirable if the improvement of conditions, material and spiritual, could make progress with exactly even pace on some perfectly symmetrical plan. But history shows us that the forward social movement has proceeded first in one aspect, then in another, on lines so tangential, often so zigzag, that it is difficult until one gets distance enough for perspective, to see that any true progress has been made at all.

Thus, the modern industrial system, which found the conditions of poverty, disease, and hardship prevalent, seemed for quite a long time, in its rude breaking up of old relations and its ruthless adherence to certain newly proclaimed principles, to have brought matters from bad to worse. The squalor and poverty of the village of hand-loom weavers seemed only intensified in the new industrial towns to which the weavers flocked from their deserted hamlets. Manufacturers were doing business under the fiercest and most unregulated competition. Economists were demonstrating their "law of supply and demand" and their "iron law of wages" as capable in themselves of regulating all the conditions and relations of business life. Epidemics raged and depravity prevailed in the new factory centers.

But things were not, in reality, going from bad to worse. The beginnings of a better order had to be based upon two things: first and foremost, the sheer creation of capital; second, the discipline and training of workers. In the first phases, the new modern business period had to be a period of production. There had got to be developed the instrumentalities for the creation of wealth. Until the industrial system had raised up its class of efficient workers and had created its great mass of capital for productive purposes, there could be no supply of cheap goods; and without an abundant and cheap output there could be no possible diffusion of economic benefits; in other words, no marked amelioration of the prevailing poverty.

It required some development of wealth to lift our modern peoples out of a poverty too grinding and too debasing for intellectual or moral progress. It is true that the factory towns, created as they have all been

by modern industrial conditions during the past century, brought their distinctive evils. There was overcrowding in ill-built tenement houses; and long hours for women and children in the factories. Yet with these and many other disadvantages, the new industrial system made for discipline and for intelligence, and above all for a new kind of solidarity and for a sense of brotherhood among workers.

In due time the worst evils began to be mitigated, largely through the application of those very methods of organization which had characterized the new kind of industry itself. Thus for men who had applied steam power to manufacturing and had begun to build railroads, it was soon perceived to be a matter not only of sanitary and social service, but of pecuniary profit, to provide water supplies, public illumination, and other conveniences to the crowded city dwellers. Moreover, with the progress of industry and the development of railroads and steam navigation, production and trade took on an ever-increasing volume.

Then the world began to be less poor. There had been no rich men in the modern sense, and of course no such thing as capitalized corporations for production. The richest man in the United States at the time of his death, a little more than a hundred years ago, was George Washington, with his land and his slaves; and so in England and France there were no rich men in the modern sense—that is to say, no men who controlled great masses of productive capital. The men of wealth were those who held landed estates. The chief business of all countries was agriculture. The capitalistic system in industry and trade existed in its rudiments and in limited measure; but all its great achievements were yet to be wrought.

All modern business life, then, is the result of this growth of productive capital, and its application and constant reapplication to the production of wealth. It made its way by virtue of an intense individual initiative and a fierce competitive struggle. But unlovely as were these things, many of their phases were necessary at a certain stage. It was this fierce competition that compelled capital to pay the lowest possible wages in order to market cheap goods. But the same situation stimulated the use, one after another, of new labor-saving inventions in order to increase the per capita productivity. This process was attended by the higher efficiency of the worker and an increase in his earning capacity. As his position began to improve, the worker gained some hope and cheer; and he and his fellows began to organize, with the result that both wages and conditions of labor were steadily improved, and the workman began to attain approximately his share of benefits.

All this is a familiar story, although the depth of its significance is beyond the compass of any living human intelligence. It is easy to say in a glib sentence that the amount of wealth produced every few years nowadays is equal to all the accumulated wealth of all the centuries down to the early part of the nineteenth; but the social meaning of so great a change baffles all attempt at full comprehension.

The competitive system, which had been essential to the launching of this modern period of production, and which had given to it so much of its irresistible momentum, at length brought the economic organization to a point of development where, in some fields of production, it was no longer a benefit. The accumulation of capital had become so large,—and with new inventions the possible output had become so abundant, that it was well nigh impossible to trust to the blind working of demand and supply to regulate things in a beneficial way. It began to dawn on men's minds that a successful period of competitive economic life might lead to a period largely dominated by non-competitive and coöperative principles.

The superior possibilities of this newest régime, along with its many difficulties and perplexities, began to captivate the minds, not merely of theoretical students and onlookers, but, even more, of great masters of industry and productive capital. It began to be seen that in place of blind and fierce competition as a regulator of prices and as an equalizer of supply and demand, there might come to be gradually substituted some more consciously scientific methods of business administration and of the adjustment of production to the needs of the market.

Furthermore, with the development of business on the great scale, capital had become relatively abundant and cheap, while, on the other hand, labor was becoming relatively expensive and exacting. It was evident that the modern system of industry had passed through its earlier period to one of comparative maturity; and that the problem of wealth production was no longer so exclusively the pressing one, but that the problems of distribution were demanding more attention.

How to organize business life on a basis at once stable and efficient; how to see that capital was assured of a normal even though a declining percentage of dividends; while labor should be rewarded according to its capacity and desert,—were problems which took on public rather than private aspects. And when the business world began to face these problems with the consciousness that they were to be met, it had virtually passed over from the lower plane of moral and social responsibility to the higher plane where what the directing minds do or decide is not measured solely by immediate results in money-getting, but also by the test of larger social and public utilities.

Although these conditions are not novel ones, and are therefore not difficult to grasp even when stated in general terms, it is still true that the concrete often helps to make the point appear more pertinent. Take then the railroad business as it is now shaping itself, in comparison with its conditions and methods twenty or thirty years ago. The railroads have always existed by virtue of charters which gave them a quasi-public character, and have always been theoretically subject to certain old principles of English common law under which the public or common carrier, like the innkeeper, performs a function not wholly private in its nature. Nevertheless, in its earlier stages the railroad system of this country was in large part constructed and operated by its projectors with no sense whatever of responsibility for their performance of public functions, but with the idea that they were carrying on their own private business in which interference on the part of the public was to be avoided and resented. They fought the railroad codes of State legislatures in the federal courts; they made oppressive rates to give value to new issues of watered stock; they discriminated in favor of one city and against another; by a system of secret rebates they made different terms with every shipper, thus enabling one merchant or manufacturer to destroy his competitor; and they pursued in general a career at least anti-social in its spirit and false and short-sighted in its principles.

A profound change—would that it were already complete!—is coming about in this great field of transportation business. It is perceived that many of the evils to which I have alluded were incident to the speculative periods of construction and development in a new country. The better leaders in the business of railway administration now see clearly that it is the duty of the railroads to work with and for the public and not against it. The railroads are gradually passing out of the hands of the stockjobbers and speculators, into the control of trained administrators. It is to be remembered that in a country like ours, the largest single branch of organized administration is that of the railroads. We have reached a point

where their relations to all the elaborate interests of the community are such that their public character becomes more and more pronounced and evident. It was only the other day that a brilliant railway administrator, Mr. Charles S. Mellen, recently president of the Northern Pacific, and now president of the New York, New Haven & Hartford system, made some statements in an address to the business men of Hartford at a Board of Trade meeting. With much else of the same import, he made the following significant remarks:

"If corporations are to continue to do their work as they are best fitted to, those qualities in their representatives that have resulted in the present prejudice against them must be relegated to the background.

"They must come out into the open and see and be seen. They must take the public into their confidence and ask for what they want and no more, and then be prepared to explain satisfactorily what advantage will accrue to the public if they are given their desires, for they are permitted to exist not that they may make money solely, but that they may effectively serve those from whom they derive their power. Publicity should rule now. Publicity, and not secrecy, will win hereafter, and laws will be construed by their intent and not killed by their letter; otherwise public utilities will be owned and operated by the public which created them, even though the service be less efficient and the result less satisfactory from a financial standpoint."

Mr. Mellen's state of mind is that which ought to prevail among all the managers of corporations which enjoy public franchises and perform functions fundamental to the welfare of the community. There will at times be prejudice and passion on the part of the public, and unfair demands will be made. We shall not see the attainment of ideal conditions in the management or the public relations of any great business corporations in our day. But the time has come when any intelligent and capable young man who chooses to enter the service of a railroad or of some other great corporation may rightly feel that he becomes part of a system whose operation is vital to the public welfare. He may further feel that there is room in such a calling for all his intelligence and for the exercise and growth of all the best sentiments of his moral nature.

In the vast mechanism of modern business the constructive imagination may find its full play; and the desire to be of service to one's fellow men in a spirit reasonably disinterested may find opportunity to satisfy itself every day. Under these circumstances there is no reason why railway administration should not take on the same ethical standards as belong rightly to governmental administration, to educational administration, or to the best professional life.

The same thing is clearly true when one considers nowadays the delicate and important functions of the world of banking and finance. The old-fashioned money-changer and the usurer of earlier periods were regarded as the very antithesis of men engaged in honorable mercantile life, and especially of those who possess a social spirit and the desire to be useful members of the community. But in these days the banks are not merely private money-making institutions, but have public functions that admittedly affect the whole social organism, from the government itself down to the humblest laborer. They must concern themselves about the soundness and the sufficiency of the monetary circulation; they must protect the credit and foster the welfare of honest merchants and manufacturers; they must coöperate in critical times to help one another, and thus to sustain the public and private credit and avert commercial disaster; they

must at all hazards protect the savings of the poor. Thus the banks, like the railroads and many other corporate enterprises, are quasi-public affairs, in the conduct of which the public obligation grows ever clearer and stronger.

We are not at heart—in this splendid country of ours—engaged in a mad struggle and race for wealth. We are engaged rather in the greatest effort ever made in the world for the upbuilding of a higher civilization. To avow that this civilization must rest upon a physical and material basis,—that is to say, upon a high development of our productive capacity and upon a constant improvement in our processes of distribution and exchange,—is not, on the other hand, to confess that our civilization is materialistic in its nature or in its aims. I was very glad, the other day, to read the wholesome and understanding words of a distinguished Boston clergyman who is just now coming to New York to take charge of an important parish. He declared that this nation was founded on an ideal, and that the most powerful influences in its life today are working toward noble ideals. The moral and spiritual tone of the country, he asserted, is higher than ever, in spite of the accidents of wealth and poverty. He declared that the great host of men and women who cherish our ideals will continue to stamp idealism upon the minds and hearts of our youth, and that they in turn "will convert wealth to the service of ideals."

Such views are not merely the expressions of a comfortable optimist. They are true to the facts of our current progress. There are vast portions of this country today in which the enterprising business man who can succeed in selling to the farmers an honest and effective commercial fertilizer is the best possible missionary of idealism,—is, in fact, a veritable angel for the spread of sweetness and light. There are regions where the capitalist or the company that will build a cotton mill or some other kind of factory is rescuing whole communities from degradation. It is poverty that has kept the South so backward, and it is poverty alone that explains the illiteracy and the lawlessness not merely of the Kentucky mountains, but of great areas in other States as well. Good schools cannot be supported in regions like those, for the palpable reason that the taxable wealth of an entire school district cannot yield enough to pay the salary of a teacher. But when modern business invades those uplands, utilizes the water-power now wasted, opens the mines, builds cotton factories or foundries, the situation changes almost as if by magic.

There will, indeed, ensue a brief period of disturbance due to changed social conditions,—to women and children in factories, and other things of incidental or serious disadvantage. But, as against a survival of the sort of life that was widely prevalent a century or two ago, all the phenomena of our modern industrial life make their appearance, in full development. The one-room cabin gives place to the little house of several rooms. There is rapid diffusion of those minor comforts and agencies which make for self-respect and personal and family advancement. The advent of capital, that is to say, of taxable property, is speedily followed by the good schoolhouse and the good teacher.

It is instructive to note the transformation that is thus taking place in one county after another of the Carolinas, or Georgia, or others of the Southern States, because the conditions make it possible to witness within a single decade the triumph of those business forces which, while they have even more truly and completely transformed the prosperous parts of America and Europe, have operated more gradually through longer periods, and therefore in a less easily perceived and dramatic fashion.

Our modern ideals have required, not the refinement and the culture of the select few, but the uplifting and progress of the multitude. This could only be possible through a general development of wealth, so vast in

comparison with what had previously existed as to constitute the most highly revolutionary fact in the history of human civilization and progress. The man, therefore, who has a clear perception of those laws of mind and of society under which modern economic forces have been set at work, cannot for a moment think that the end and outcome of this modern business system is a new kind of human bondage, "the rich growing richer and the poor growing poorer"; or that it can mean any such thing as the elevation of property at the expense of manhood.

Even if it were a part of my subject to discuss the growth of vast individual fortunes as an incident of this modern development of wealth, which it is not, there would be no time for more than a passing allusion. And in making such an allusion, I might be content to call attention to my earlier dictum, that progress is not upon direct lines, but tangential or zigzag. When the factory appears on the Piedmont slopes of the Appalachian country, it may indeed make a fortune for the missionary of civilization who planted it there. But meanwhile it has given the whole neighborhood its first chance to relate itself to the civilized world. I am content for the present to leave that neighborhood in possession of its opportunities, serenely confident that it will in due time work out its own completer destiny.

When the capitalist has retired from the scene of his exploitation, will the day arrive when the regenerated neighborhood will own that factory, and others, too, for itself? Very likely. In any case, the neighborhood has been emancipated from its worst disadvantages.

In short, I have little doubt but that the further progress of our civilization will give effect to certain economic laws and tendencies, and to certain social rules and principles, that will make for a higher measure of equality in the distribution of realized wealth. Meanwhile wherever a practical step can be taken to remedy an evil, let us do what we can to promote that step. Let us recognize the already great possibilities for useful participation in the social and public life that belong to an honorable business career.

From the standpoint of the intellectual interest of the young man going into business, let it be borne in mind that there are scientific principles underlying every branch of trade or commerce or industry, and that there is almost, if not quite, as much room for the delightful play of the faculty of imagination in the successful conduct of a soap business as in writing poetry or in making statuary groups for world's fairs. The cultivation of public spirit in the broad sense, and the determination to be an all-round good and efficient citizen and member of the community, will often help a man amazingly to discern the opportunities for usefulness that lie in the direct line of his business work. The more thoroughly he studies underlying principles—whether of a technical sort as related to his own trade, or of a general sort having to do with the organization and general methods of commerce—the less likely he will be to take narrow and anti-social views of business life. The high development of his intelligence in relation to his own work will show him the value in his business—as in all else in life—of the standard thing, the genuine thing, the thing that will bear the test as contrasted with the shoddy, or the inferior, or the spurious.

Our technological schools, our colleges of mechanic arts, our institutes of agriculture and their related experiment stations,—these are all teaching us many valuable object-lessons regarding the way in which the wealth of the individual and that of the community can both, at the same time, be advanced by scientific methods. Thus it is coming about that business life is ever more ready to welcome the most highly trained kinds of intelligence, inasmuch as it is perceived that specialized knowledge is henceforth

to be the most valuable commodity that a man can possess.

I have already said that the delicate problems of distribution must be faced ever more frankly and liberally by the modern business world. Thus, those who control capital, or administer capitalized enterprises, cannot afford any longer to be without a knowledge of the history and significance of the labor movement. We should not have had the desperate struggle between anthracite coal corporations and the miners in Pennsylvania, a year or so ago, if there had been a full understanding on the part of the capitalists of the honorable and valuable nature of trade agreements, and particularly of the history of the relations of capital and labor in the bituminous coal districts of the United States. I am speaking now from the standpoint of the business man. There is much to be said, doubtless, in respect to the shortcomings and the sometimes fatuous and even suicidal methods of the labor organizations. But for the modern business man who cares to take his place influentially in commerce, in social life, and as a man among men in his city or his commonwealth, it is no longer justifiable to be unfamiliar with the labor question in its economics and its history.

Herein lies one great service that the university can perform (and our best colleges and universities are today performing it with marked intelligence and ability), the service, namely, of providing very liberal courses for young men who expect to go into business, in the general science of economics, in the history of modern economic progress, in the development of the wage system, in the history and methods of organized labor, and in very much else that helps to place the life of a practical man of business affairs upon a broad and liberal basis. In the early days of our history it was the especial function of the college to train young men for the ministry. In a somewhat later period it was notably true of institutions like Yale and Princeton that their training seemed to fit many men for the law and for statecraft. We had, you see, passed from that theocratic phase of colonial New England life to the political constructive period of our young republic.

But we have been passing on until we have emerged in a great and transcendent period of commercial expansion and scientific discovery and application. It is a hopeful sign, therefore, that our universities are finding out and admitting the demand that present-day conditions impose, and are training many men in the pursuit of modern science, while they are training many others in the understanding of the application of social and economic principles to modern life. All this they are doing and can well do without ignoring the value of the older forms of scholarship and culture.

But I have a few remarks to make also upon the ethical relations of the business world of today toward the political world; that is to say, toward organized government, whether in its sovereign or in its subordinate forms. We cannot take too high a ground in proclaiming the value, for the present, at least, of the political organization of society. I should like to dwell upon this point, but I must merely state it. If the State: *i.e.*, the political form of social organization, is valuable,—it stands to reason that it must be respected and maintained at its best. It is also obvious that it will have a higher or a lower character and efficiency, according to the attitude toward it taken by one or another of the dominant factors that make up the complex body politic.

Thus, for example, it is the feeling of men in control of the political organization in France today that the Church, as a great factor in the social structure of the nation, is essentially hostile to the spirit and purposes of a liberal republic. Hence a great disturbance of various relationships. I do not cite that

instance to express even the shade of an opinion. My point is that if the political organization of society is desirable and to be maintained, it is a fortunate thing when one finds the dominant forces of society rendering loyal and faithful support to the laws and institutions of government and recognizing without reserve the sovereignty of the State. Yet in our own country there is a widespread feeling that many of the most potent forces and agencies in our business life are not wholly patriotic, in that they are not willing in practice to recognize the necessity of the domination of government and of law. I do not believe that this is permanently and generally true. It would constitute a great danger if it were a fixed or a growing tendency.

As matters stand, however, every one must admit that there is an element of danger that lies in the very fact that as a nation we are in a condition of peace, content, and prosperity, and do not find our political institutions irksome. The danger consists in this: that under such circumstances the rewards of business and professional life are for the most part so much more certain and satisfactory than those which come from the precarious pursuit of politics, that public interests have a tendency to suffer from being in weak hands, while private interests have a tendency to assert themselves unduly, from being in the hands of men of superior force. Thus it happens that it is often difficult for the State to maintain that dignity, that mastery, that high position, as the impartial arbiter and dispenser of justice, which it is now even more necessary than ever that it should maintain, in order that the whole social organization should keep a true harmony and a safe balance.

At present, the State is largely concerned with the maintenance of conditions under which the economic and business life may operate equally and prosperously. The State in one sense is the master of the people. In another sense it is merely their creature and their agent for such purposes as they choose to assign it. Is the State, then, to absorb the industrial functions, and are we to develop into a socialistic commonwealth? Or, shall the political democracy and the coöperative organization of business life go on side by side, related at many points but in the main distinct from each other? Whatever the relation of the State to industry may be destined to become in the distant future, we may be sure that there will be no rash upheavals, no harmful socialistic experiments, if the potent business world clearly sees how necessary to its own salvation it is that the State shall be maintained upon a high plane of dignity and honor, and that the official dispensation of justice, as well as the official administration of the laws, shall be prompt, just and impartial.

There is no higher duty, therefore, incumbent upon the business man of today than to bear his part in promoting and maintaining the purity of political life. The modern business man should regard good government as one of the vital conditions of the best economic progress. Yet scores of instances are at hand that show to what a painful extent certain business interests again and again, for purposes of immediate advantage,—to secure a franchise, to escape a tax, or to procure some improper favor or advantage at the hands of those in political authority,—have employed corrupt methods and thus stained the fair escutcheon of American business honor, while breaking down the one most indispensable condition of general business progress,—namely, honest and efficient free government.

I will not dwell upon these things. It is enough to say that they are things the modern business man must have upon his conscience. For, if such offenses come by way of the business world, their remedies must also come, and indeed can only come, by that same path. In our municipal life, for example, it is the aroused interest and zeal of the best business community for better government and better conditions that

can alone produce important results. Happily, all over the country we find chambers of commerce, boards of trade, merchants' associations, and other bodies of men of practical business affairs, taking their stand for the transaction of public business upon high standards of character and efficiency. I have no doubt or fears as to what the result will be. All of our large cities are themselves purely the creations of modern industrial, commercial, and transportation conditions. And I hold that these very forces of industrial and commercial life that have created the problems by bringing together great masses of people in crowded communities, must and can in turn solve the problems by the application to municipal government of the scientific and intelligent principles which belong to the best phases of business life.

All of this relates to my subject; but I must pass it by with a mere statement or two. It belongs to the developed constructive imagination and to the trained ethical sense of the modern business man to perfect the transit systems, to improve the housing conditions, to assure cheap sanitary water supplies, cheap illumination, and, above all, due provision for universal education, parks, museums, and opportunities for recreation,—in short, all possible improvements of environment that can make life in our cities not merely endurable but beneficial for the people. Here, then, is furnished a great field for the definite and conscious aspirations of the successful man of business. Here lies a great many-sided work for social and moral as well as physical and material progress which the business man, in the quality of good citizen and man of public spirit, is fitted better than any one else to accomplish.

The intelligent young man who holds before himself ideals of usefulness that extend to such projects as these, may be sure that the modern conditions of life will bring him great opportunities, and he may feel that he is thus lifting his business career up to the plane of idealism that has, in the past, been reserved for a few exclusive professions. Partly through his own endeavors,—largely through association in commercial or other organizations with his neighbors,—he may help to accomplish for the benefit of all his fellow men of a great community one step after another in the direction of public works that will meet the needs of a high civilization.

Some of the most useful men, as well as the most unselfish and devoted, with whom I come in contact are successful business men of large affairs. They are modest and unassuming; simple and direct in their methods; wide as the world in their sympathies; lofty as the stars in their aspirations for human progress; sagacious beyond other classes of men, and respected to the point of veneration by those who know them well, because they are men of deeds rather than of words, who make good their professions from day to day. Business has not so narrowed them, nor has devotion to philanthropic ends or public reforms so distorted their mental visions, that they are not able to enjoy what is good in life, whether books, music, pictures, the companionship of friends, or the restful contact with nature in field or forest.

The lives of such men are dominated by certain fixed ethical standards. Given such moral landmarks, the remarkable conditions and unequalled opportunities of modern business life will promote the frequent development of men of this kind, with their breadth of view and strength of mind and character. It is the positive and aggressive attitude toward life, the ethics of action, rather than the ethics of negation, that must control the modern business world, and that may make our modern business man the most potent factor for good in this, his own, industrial period.

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