POLITICAL STRATEGY
FOR
BUSINESS

Address by
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IN THE Middle Ages war was a normal experience. The free citizen was defined as a soldier. The home was a defensible unit, the cities were walled. Most important for our present consideration, the minds of men were accustomed to take account of war as a normal factor in their calculations. Its incidence, progress, and consequences did not come as a profound shock and could be absorbed without violent emotional disturbances.

The modern world, on the contrary, is built upon the presumption of peace. That fact is reflected in long transmission lines for water, power, gas, oil; in domestic and public architecture; in the whole physical fabric of our lives. Still more important, the fiction of peace in the nineteenth century, the structure of ideas which eventuated in The Hague Peace Conferences became so thoroughly a part of the unconscious foundation of our thought that war, devastating as it is physically and economically, is yet more desperately destructive emotionally and intellectually.

Instead of regarding war as an inevitable and so a normal part of human experience, even military and political leaders candidly describe it as economic, social, and moral madness. Reduced to its simplest terms madness means that people cannot think straight. The inhabitants of bedlam may seem physically robust; many go their way in apparent normality; some, of course, make the night hideous. But their common characteristic is that they do not think straight.
Twice in our generation the world has gone through the physical, mental, and moral convulsions of war. As we look back on the convalescence after our earlier experience, it is patent that perspective was warped, judgment distorted; too much was expected too fast. The ultimate effects were often the reverse not only of intentions but of first impressions. Such essentially simple relationships as those between inter-allied debts and German reparations payments—clear as daylight to any amateur today—were denied by able men. Important policies were based on stubborn denial of the obvious. Folly was magnified because it operated with tremendous energy and overwhelming power.

Mistakes were not upon the economic level alone. Political miscalculations were wide of the mark and equally disastrous. A school boy could tell you today how foolish were the expeditions to Archangel and into Siberia, how unrealistic the support of General Wrangel and the Whites against Lenin and the Reds.

Now we are in a second convalescence after a relapse into madness yet more profound and more destructive. Again we seek to force convalescence too rapidly; we act as though if enough money, energy, and force are applied they will make an acceptable substitute for perspective, judgment, and wisdom. Proposals are more gargantuan than ever before, and the pace of projected time schedules more rapid.

All this intense and powerful activity is launched when emotional tensions are perilously close to hysteria. This is well recognized as having been the case during the previous post-war era. The fear of the Bolsheviks was as acute—and often as irrational—as it is today, and that is saying a good deal. It would be painful to recall to your minds earlier deviations from the ideal of the Bill of Rights—but
they are plainly written on the record for those who will take time to read.

The most important requirements of a convalescent is that he seek to draw his experience into right proportion, avoiding hypochondria on the one hand and over-exertion on the other. He must let time and nature do their work—to despair and to force the pace are twin follies. To set a sound strategy of recovery, he must take the long view; he must seek to establish himself as a detached observer; this helps him to regain perspective. Finally he must cultivate his sense of humor, for that is the best corrective for taking himself and his plans too seriously.

A SOUND STRATEGY

In setting our strategy let us take such a detached view of our national and international tradition. Over the long view the dominant characteristic of American history is that our impact upon the world has been revolutionary. It has been so by design, not by accident.

If you still have a dollar bill, examine it; on the green side it shows the great seal of the United States, which bears the words "Novus Ordo Seclorum"—a new order of the world. There is nothing over-modest in that motto. It was a bold expression of a deep inner conviction about the destiny of our nation.

The United States, as Lincoln said, was conceived in liberty. In the eighteenth century that was, and in the twentieth it still is, a revolutionary idea. The Declaration of Independence, according to Thomas Jefferson, its author, was designed as "an expression of the American mind." So, indeed, it was. Its omissions were as significant as what it contained; it said nothing of comfort, security, or any right to share the wealth; it said men were
entitled to life, liberty, and the pursuit of happiness. Subsequently, when the Constitution was adopted, it was implicit that it should have a Bill of Rights. The amendments, so adopted, put freedom at the core of our program—they limited the power of the state and safeguarded the individual citizen. Every man was to be king, not in the shoddy “Kingfish” Huey Long tradition, but in the responsible control of his own choices, his tastes, his labors, his goals.

In an age when the so-called Enlightened Despots were seeking to confer their chosen goods upon submissive subjects, that was novel in the extreme. One of the benevolent uplifters said he would make his people “whether they liked it or not, into free, opulent, and law-abiding citizens.” He was going to decide in what happiness consisted and confer upon his subjects the eighteenth century abundant life. Turgot was credited with having said, “Give me five years of despotism and France shall be free.” There were controls and many rules and regulations in order that the material goods which they confused with happiness might be available. George III was full of this Continental ideal. Our forefathers fought him in behalf of freedom.

Liberty is dangerous. It involves material sacrifices as Washington knew at Valley Forge, and as Gandhi demonstrated in modern times. Those who say freedom is meaningless if you do not have a full stomach have lost the thread of our history; they have surrendered to the materialism of the eighteenth century despots who confused abundance with the abundant life and achieved neither. They march under the banner of the modern “enlightened” despot, Stalin, who in expounding the “new” democracy says with perfect candor that “the material life of society . . . is primary, and its spiritual life secondary, derivative.” Many a man who would hate to bracket himself with Stalin none-
theless is his disciple in a point of view which is reactionary. It was precisely against that concept that we established our New Order. We founded the state upon the moral law—not the economic. We sought liberty for man, made in the image of God Himself.

TREATING THE "COMMON MAN"

Those who talk today of social engineering have lost the key to our history. They have missed the point of our New Order. They are treating the "common man" with the compassion of the benevolent despots. They are giving the state responsibility for his welfare, instead of giving him responsibility for his own scale of values. They would trade his dignity for his comfort. You do not "engineer" free will, which is unpredictable and incalculable; you do not "engineer" freedom, which is precisely the right to follow your own bent.

It is significant that a current British author of great influence, writing of government ownership and government planning, concludes, "Distrust of government is probably the soundest instinct of Western society, doubly sound in a century which has within 40 years produced a Hitler, a Mussolini and a Stalin. No one can doubt the state's duty to secure the welfare of all its citizens. Equally no one can doubt the tendency to eat its citizens up in the process." . . . "Confining of government to certain essential purposes is more in keeping with the traditions of western political theory than the thoughtless, reckless passion for the state as such which has obscured so much that is generous and sound in the minds of modern reformers."

The first aspect of our New Order was liberty—the individual as a free man. Its second was social. All men, said the Declaration, were
created equal. It is the fashion now to explain away the phrase—to insist that as a generalization it is nonsense. Yet its revolutionary significance is clear.

The old world—East as well as West—had orders of nobility, caste systems, privileged classes of one kind or another. America made a bold assertion that no man is born into any status; he is in no fixed position relative to other men. At birth every man comes into the world endowed by his Creator with certain inalienable rights—no one can inherit more rights, no one can inherit less rights, than any other man. He may inherit wealth (which he may squander) or talents (which he may develop or neglect and abuse) but neither the presence nor absence of any other inheritance changes his inalienable rights.

MORE RIGHTS

Jefferson, at the point of death, could not attend the fiftieth anniversary of the Declaration of Independence in 1826. But he was still the stubborn egalitarian of his young years and in the last letter he ever wrote he gave a colorful exposition of his deathless phrase: “The mass of mankind was not born with saddles on their backs, nor a favoured few booted and spurred, ready to ride them legitimately, by the grace of God.”

This philosophy produced a fluid society. The boy Franklin left Boston in penury and rose to be one of the first citizens of the world. Jefferson was recognized for his complex genius, not for his rank or station at birth. That has been the specific novelty of our history—progress from log cabin to the White House, from bobbin boy to steel magnate, from bicycle shop to an automobile empire—from rags to riches in one generation and riches to poverty with equal speed.
Never before in history had men been born free of class, caste, social stratum; complete absence of such status was a New Order in the world, an idea so radical, so revolutionary that after nearly two centuries we can hardly comprehend it. But it has so infected the minds of men that kings by divine right have disappeared; orders of nobility are vanishing; slavery has been abolished the world around; even the ancient caste system of India is crumbling.

**RACE OR COLOR?**

Is it any wonder, then, that there is a clear determination here in America to erase the last vestiges of status and make sure that no political, social, or economic disabilities can be traced to birth—to race or color? Anyone who likes to speak of the American system must bend his own mind and heart to that task.

In international affairs the consequences of the American revolution were equally radical. An acute critic has well said: "The Declaration of Independence blew Europe off its moral base." The infant nation not only resisted the ideology of the Holy Alliance; it defied its political counterpart, the Quadruple Alliance. The Monroe Doctrine carved out a hemisphere for the new idea. We propagandized vigorously in Latin America in favor of our revolutionary ideals. In this mad day when force is overvalued and moral energy too heavily discounted it has become fashionable to sneer at the pretentiousness of the feeble power which made so bold a declaration as that of Monroe—and made it alone, because John Quincy Adams would not have America come in as a "cockboat in the wake of the British man-of-war."

It was in this radical spirit that crusty John Quincy Adams recorded in his diary with keen delight that he had read a lecture to the Russian minister, Baron Tuyl, on the glories of
republicanism. This same revolutionary temper led Daniel Webster to make the eagle scream in his famous letter to the arrogant envoy of the Hapsburgs, Hulsemann. The American Secretary of State declared that we would not leave Europe alone; on the contrary, he said, the United States cannot "fail to cherish always a lively interest in the fortunes of nations struggling for institutions like our own." This country was alert to be first to recognize revolutionary republican governments in Europe; it was ostentatiously the haven of refuge for political exiles from European tyranny.

When we had grown to the stature of a great power, this tradition made our participation in both world wars absolutely inevitable. We had never acquiesced in tyranny, we had never accepted absolutism or statism. We had always protested them, and to the limit of our available influence resisted them. Even though we had come to think of ourselves as isolationists because we had never had weight enough to shift the balance of power in Europe, we were quite unwilling to see democracy overthrown by absolutism—whether of the hereditary Hohenzollerns or of the upstart paper hanger. When the crisis came the tradition of our New Order proved vastly stronger than the tradition of isolation.

Today we are the only really great power which fully represents that revolutionary tradition. We are therefore compelled to come to the rescue of the European continent when it is threatened with engulfment by the totalitarian Communists. If we really understand and appreciate the nature of our own tradition it will dictate the strategy which we follow in dealing with Europe—a strategy so radical that the Russians cannot believe it.

Russia insists ours is a policy of imperialism. In his address at the establishment of the Cominform, the late Zhdanov expressed this
view: "The aggressive and frankly expansionist
course to which American imperialism has
committed itself since the end of World War II
finds expression in both the foreign and home
policy of the United States." . . .

"The expansionist foreign policy, inspired
and conducted by the American reactionaries,
envisages simultaneous action along all lines:
(1) strategical military measures, (2) economic
expansion, and (3) ideological struggle." . . .

"On the outbreak of World War II, the
American army was the seventeenth largest in
the capitalist world; today it is the largest.
The United States is not only accumulating
stocks of atomic bombs; American strategists
say quite openly that it is preparing bacterio-
logical weapons.

AMERICAN STRATEGISTS

"The strategical plans of the United States
envisage the creation in peacetime of numerous
bases and vantage grounds situated at great
distances from the American continent and
designed to be used for aggressive purposes
against the U.S.S.R. and the countries of the
new democracy. America has built, or is build-
ing, air and naval bases in Alaska, Japan, Italy,
South Korea, China, Egypt, Iran, Turkey,
Greece, Austria and Western Germany. There
are American military missions in Afghanistan
and even in Nepal. Feverish preparations are
being made to use the Arctic for purposes of
military aggression." . . .

"Lastly, the aspiration to world supremacy
and the anti-democratic policy of the United
States involve an ideological struggle." . . .

"The vague and deliberately guarded formu-
lations of the 'Marshall Plan' amount in
essence to a scheme to create a bloc of states
bound by obligations to the United States, and
to grant American credits to European
countries as a recompense for their renuncia-
tion of economic, and then of political,
independence."

As one invincibly rugged American, whose
reputation is world-wide, remarked, the indict-
ment was so skillful and detailed that he found
himself "almost convinced" that our actions
were imperialistic.

ISSUES . . . GREECE

In the light of that general point of view
how would Russia regard these statements,
dated Athens, January 4, 1949, under the
by-line of Anne O'Hare McCormick? "Viewed
from Greece, the Eighty-first Congress is the
omnipotent body which decides the fate of this
country. . . . In Greek eyes the new Congress
has the sole power to determine major national
issues. . . . Greece was the first country to
receive American military assistance. This,
too, is more open than it was in the beginning."

How would they interpret the recent state-
ments of the French Premier, Henri Queille,
that the Marshall Plan had saved France from
bankruptcy and dangerous inflation? How
would they read Joseph Alsop's dispatch from
Paris, dated January 13, 1949? "It is brusquely
sobering to discover the powerful influence of
Washington on the internal politics — we at
home would consider the private affairs — of
the nations of Western Europe."

What impression will be left on such minds
by the announcement of the Defense Secretary
that we are studying the possibility of inter-
stellar projectiles that will circle about beyond
the pull of the earth's gravity until guided to
a specific target? That is a remote base indeed.
We are now subsidizing half the world, not as an act of charity, but as a political act. We expect benefits; we intend to keep the nations away from Russia — on our side.

If one looks at the history of imperialism, the relationships we are establishing might easily be so defined. Our regret that we have to subsidize so many nations gives us a sense of altruism which makes the term “imperialism” seem not only inaccurate, but slanderous. Soviet critics do not see the limpid purity of our motives; domestic critics seldom do, foreign ones never.

What is wrong with the Russian interpretation? It is the same thing that was wrong with the interpretation of our motives with reference to Cuba. Those of you who are old enough remember that the cry of imperialism was raised then. If you followed that debate closely, it was clear that we were sorely tempted to abandon our revolutionary tradition and follow an imperialist line; ultimately we vindicated our dominant faith.

**IMPERIALIST LINE**

The key to whether the Russians are right or wrong lies in this: whether we make Europe dependent upon us or help recreate a genuinely independent Europe. If it re-achieves genuine independence, many a time we will feel that the nations are not showing gratitude, when we realize that because we have strengthened them they can more effectively oppose us. But that will be the proof of their independence. If we are to maintain our revolutionary tradition which gave a New Order to the world, we cannot evade the uncomfortable consequence of our own doctrine.

I am not urging utopian altruism. It is vital faith in the validity of freedom, renewed trust
in the community of interests which free people ultimately feel. That faith is the foundation of any bi-partisan foreign policy; it is a conviction so deeply rooted in our radical view of life that it transcends any party interests and momentary partisan advantage. Only by that faith can we draw the inevitable tensions into right perspective.

America was conceived in liberty — individual, social, political. In making that ideal come to fruition, America created a New Order in the world in the field of education. If one wants a definition of radicalism, where or how could it be found more concisely expressed than in the phrase “universal free education”? So fully has this idea been absorbed into the American stream of consciousness that only with an effort can we conceive how revolutionary it was and still is.

We inherited an aristocratic tradition. In the earliest days the students in Harvard College were listed, not alphabetically, but by their social standing. From that seventeenth century concept we had already escaped even before the Declaration of Independence. The Charter of Brown University (1764) emphasized the essentiality of education for “discharging the offices of life with usefulness and reputation.”

The classic Northwest Ordinance of 1787, passed by the Congress of the Confederation, states that “religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.” All efforts were directed toward making education conform to the revolutionary principles of the infant nation. It was not selective but catholic; its base was broadened continually.

Jefferson was an ardent expositor of the philosophy. For his new University of Virginia
he chose an ancient motto which emphasized freedom: "Ye shall know the Truth, and the Truth shall make you free." He wanted the institution to "be based on the illimitable freedom of the human mind." "No other sure foundation can be devised for the preservation of freedom and happiness. Preach, my dear sir, a crusade against ignorance, establish and improve the law for educating the common people. If it seemed sometimes that the people were not "enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education."

The process of expanding the base and prolonging the time devoted to education has gone forward at an accelerating pace. Its success has often outrun the capacity of newcomers to learn or of their instructors to teach them. Anything which has grown so great so rapidly has grave defects; but the massive fact is that real literacy is all but universal, opportunity is equalized, and the availability of forms of education is steadily expanded. As long as we continue to believe in the individual as the ultimate in dignity and worth we cannot halt the process.

The emphasis put upon the supreme value and dignity of the individual shows up in medicine. No other country in the world has so many medical schools in relation to the population, or schools which lay so much emphasis on research. No other nation has ever had a like number of hospitals; there is no other place where insurance has gone so far by 13
voluntary action, where so many of the inevitable hazards of life are cushioned by individual foresight and planning. In the effort to prolong life action has been radical. In modern surgery the body is reconstructed with a freedom believed impossible a few short years ago. If one studies the anti-biotics and the whole realm of chemo-therapy, all new within our lifetime, radicalism is not only rampant but productive.

Under the egalitarian principles on which American democracy was founded and which have made it thrive, there will be continuing pressure to expand these services. Many doctors have not yet fully understood and appreciated the social forces that they themselves have released; their social vision has not kept pace with their technical skills. The inescapable result is to invite the federal government to force the issue and to imperil success by laying upon skill the inhibitions of control, by laying upon progress the weight of bureaucracy and snarling scientific initiative in red tape.

BUSINESS

Last: business. Of all the manifestations of radicalism which have grown out of the American philosophy, none is more extreme than business. It has been revolutionary from the very beginning. Eli Whitney's cotton gin produced not only economic results but vast social consequences. Every technological change — mass production, interchangeable parts, assembly lines, creating something new for the public, like television, or what you will — every one of those developments produced changes which run far beyond the mere economic.

The revolution is not slowing down; it is accelerating. Only the other day, a great industrial concern opened a new research laboratory — one of many in its organization — that cost more than the total assets of most American
universities. Present at that occasion was the first research director for the company, who started as a part-time research worker in an old barn. His first crude laboratory was set up after the turn of the century. Yet less than fifty years later it had grown many thousand-fold. That instance is dramatic, but even more typical than dramatic. The research spirit is revolution personified; its consequences reach out beyond production to every phase of life.

It has been the fashion to say that modern industry has reduced man to a robot. It has been repeated so often it has come to be widely accepted as fact that the machine is master of the man. The true record is the reverse. The more machines there are, the greater the number of skills required not only to operate, but to design, construct, maintain, and repair them. The American economy is characterized by the steady shrinkage in the use of common labor and the steady expansion of the area of competence. If we no longer attain to skills by the ancient apprentice method, which sometimes smacked of servitude, we achieve them by processes which contain less exploitation and give larger scope for initiative, resourcefulness, insight, imagination, and deftness.

THE TRANSITION

The transition from unskilled to skilled labor has had a marked effect on the intellectual life of laborers. No longer is brute strength so essential as quickness of perception, alertness of mind, keenness of insight. In short, technological change has made the mind of the mechanic the key to his success. Business radicalism, therefore, has had great effects in opening the minds of men. One result is the greatest and the strongest labor unions in the world. Transfer of emphasis from muscle to brain combined with mass production to make such organizations certain. As long as individual employers predominated and the average
concern hired only five or ten people, as long as large employers depended primarily on common labor, it was impossible to develop great and powerful unions. The characteristically American economy stimulated them. The Wagner Act merely accelerated the process; their growth was inherent in the business structure itself. Years ago some industrialists talked as though unions were a malignant growth upon our body economic; it has become clear they are as natural as breathing, as inevitable as the production line itself. We have to learn to live with our own creation — as we had to learn to use electricity in factory, farm, and home.

There are abuses, of course. We are properly disturbed by feather-bedding. It adds unnecessary cost. It puts undue burdens upon the backs of the vast majority while taking a proper weight of effort from a very small minority. But it would be easier to fight labor feather-bedding today if there had not been so much financial feather-bedding in days gone by. So, also, it would be easier today to overthrow the special privileges of labor, and the overweening power of some labor managers, if there had not been special privilege and overweening authority for some industrialists in times gone by. We are faced again with the eternal truth that the sins of the fathers are visited upon the children even unto the third generation.

American business radicalism created the system of all but universal ownership; one person in seven is now a part owner. Never before, until the American corporation was established, was proprietorship of production so diffused among great numbers of people. The very fact that ownership is so widely dispersed has corollary effects. Property which belongs to an individual is his to use, abuse, or destroy. That ceases to be true in any absolute sense when ownership is so wide spread that manage-
ment is no longer the owner, but merely an employee, as the laborer himself is an employee. Management stands somewhat in the position of a trustee; and the relationship of a trustee to property is markedly different from the relationship of an owner. Management has rights; it must have in order to fulfill its function. Labor also has rights; for we cannot pretend to democracy and at the same time make vast numbers of working men dependent upon the whim of management.

It is essential to remember that there is no Bill of Rights for property, none for any but individuals. Always it is the individual who must be protected, in his property rights, his labor, and in his civil rights. Management, therefore, while obligated to protect the property of the owner, is also obligated to protect the job of the worker. It cannot hope to divorce itself from social and other non-economic obligations. It cannot escape the manifold and varied consequences of the dynamic character of American business. It no longer stands in loco parentis, as once the individual owner-employer may have done; it is an employee like every other employee with a different function and a different responsibility, but a joint responsibility as well.

Although profits are essential to its continuance, American business does not exist for profits. They are as necessary as fuel for a boiler. But there is no point in operating a boiler unless you use the power which the boiler generates. Fuel is not an end in itself; it is a means to an end. Profits in like manner are means to ends. They can be justified, not by size — small or large — but by use. If they are hoarded, sterilized, even small profits are too great. If they are put to the service of production, if they are a means to larger employment, to steadier employment, to more gainful employment then they cannot be “too great.” They are a means, that is to say, to many ends beside those which are “economic.”
Business will be the whipping-boy of the radical politician whenever we misinterpret our own economy as dynamic only in the matter of profits. When business appreciates its own social contribution, it will be viewed in its proper perspective. Business has done far more than government to raise the standard of living; it has made the car possible for the workman, the radio in every home, the gadgets, the refrigerators, the sewing machines, the thousand and one slaves of the lamp and of the motor, which characterize the American scene. Those achievements are to be interpreted partly in material terms, but much more significantly in social terms. They created leisure; they demanded intellectual development; they opened the way to cultural growth. In short, they stimulated a revolution in the fabric of the world which makes the efforts of the Soviets look puny. They laid foundations for the reality of a democratic structure not only in politics, but in society and in economics.

THE GENIUS OF OUR PEOPLE

What is the key to our history? It is an idea — nothing more nor less. Some people say it was our natural resources. That is manifest nonsense. Many regions have great undeveloped resources. Some others say it was the genius of our people. That is a dangerous fallacy. We are no race of supermen — just ordinary people with ordinary talents. Some call it luck. That reduces the progress of the world to the hazards of galloping bones.

It was an idea; if you will think of it for a moment that is what nations are — that and no more. The natural illustration is Switzerland. The Swiss are not one people in geography, in language, in origin, or in any other material way. But the idea of the Swiss nation is so powerful that a tri-lingual nation without natural boundaries and without a natural
economy can nonetheless survive and live as a strong, however small, nation. That proves that if you have an idea which is unifying, you get unity; whereas, if you have an idea which is divisive, you can disrupt people closely related by blood and material interests. The war between the American states demonstrated that point.

The key to our history is the idea of freedom. One man can chase the dollar; Thoreau could go to Walden Pond; Emerson could apostrophize the thinker. Franklin, Jefferson, Edison and millions more could follow their insatiable curiosity. Initiative was decentralized, responsibility was personalized; every man, according to this idea, is the ultimate in value. Government exists to guarantee him opportunity and protect his rights from trespass; business exists to serve his material needs and contribute to his emotional and spiritual satisfactions.

There is no other key: do not lose this one.