

# INDUSTRY AND CIVILIZATION



An Address

by

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SINCE the turn of the century, and more especially during the last seven years, there has been an increasing tendency to belittle the virtues of thrift and saving; to sneer at the efforts of those engaged in productive industry; \* to impugn the motives of business men of all types. The head of the Government, a Government which exists only because of the taxes laid upon business enterprise, has scarce opened his mouth without heaping some sort of abuse upon those who manage the industrial affairs of the Nation. Such terms as "Economic Royalists," "Agents of Entrenched Greed," "Princes of Privilege" and similar epithets have become common designations of hitherto respected business men. Just as in a foreign land the Jews are "whipping boy" for a mad dictator, so in this country, the leaders of industry are reviled and repressed by another who strives for power irrespective of its cost to the public.

This is a new attitude in America, although it is old in the annals of the race. Here, until recently, the men who have changed a few weak, struggling, despised Colonists into the world's mightiest and happiest nation have been not without honor among their fellow men. But in the world at large, previous to the industrial revolution, this attitude of looking down upon business has been quite common. It was rather beneath the dignity of even a younger son to engage in trade or industry, it was much nobler for him to join the Army or the Navy, to spend his time in either killing his fellow men, or acting as policeman for some people less fortunate than his own. The idler, assuming he was possessed of some money or some education, the poet, the musician, the artist or the politician considered themselves as being made of superior clay, and, as our knowledge of Medieval and Ancient times has come down to us largely through their none

\* NOTE—The term industry is used in its wider sense, Agriculture and Manufacturing, Transportation and Distribution and the other activities connected with them.

too accurate pictures, the story of the place of Industry in the progress of Civilization has been little known and seldom understood. The present contempt of industry, as is the case with many of the fundamental philosophies of the present Administration, represents a turning back of the official mind along the path of human progress toward the quagmire from which the race started upwards centuries ago.

What is the true picture of industry? Do we need to apologize for it? Do we so-called "Economic Royalists" have to hang our heads in shame?

A good many years ago (more than I sometimes like to remember), while still a student in the University, it fell to my lot to make a study of the place of industry and commerce in what we call Civilization. I make this statement so that you may realize that much of what follows is not the effort of an industrialist endeavoring to find justification for his life's work, but rather the effort of a student, surrounded by a University atmosphere, endeavoring to interpret the life of the past in terms of the present. Perhaps I can do no better in introducing this subject tonight than to repeat verbatim the short summary of that study made forty years ago:

"I am to speak to you tonight of one of the greatest constructive forces of all history—that spirit of trade which we call 'Commercialism.'

"Where commerce has gone, wealth, power and progress have followed. Egypt's trade with India was the foundation of the progress which made her the most civilized nation of antiquity. When the fleets of the Phoenicians dotted every sea, planting colonies on the shores of the Mediterranean, trading in Britain and the land about the Baltic, Tyre and Sidon rose to the height of wealth and power, and Ancient Civilization received its greatest impetus. Trade made Carthage great, and it was through her colonies that Greece was able to perfect her civilization. Upon the industry of conquered states, Rome rose to power, and with her fall the Dark Ages came, when commerce and civilization ceased. At length the Italian Free States rose. Their caravans sought the East. Their traders penetrated the Northern wilds. Ignorance and Barbarism

began to disappear and in their place came knowledge, wealth and power. After the decline of the Free States, Spain, Portugal, France and the League Cities of Germany became powerful through trade. The fleets of the Netherlands discharged their rich cargoes, making Antwerp the wealthiest city of Europe. And England, growing slowly and steadily, became the mistress of the commercial world, only to lose her ascendancy to the rising power across the seas."

### Ancient Civilizations

Turning back to the very frontiers of our knowledge of the human race, four thousand to five thousand years ago, we find Babylon and Assyria in a preeminent position in the Asiatic world. A system of irrigation, based on the waters of the Tigris and Euphrates rivers and constructed along lines which would be considered excellent engineering practice today, produced a rich agricultural district, and, based on these agricultural resources, the cities developed manufacturing industries which in the excellence of their technique, the variety of their products including the rudiments of mass production compare very favorably with any industry created by Western Civilization up to the invention of the steam engine. An excellent system of distribution by caravans across the desert, and by ships plying the rivers and Persian Gulf, produced a prosperity far beyond that of neighboring states and a civilization outstanding in the ancient world.

Egypt is often spoken of as the most civilized nation of Antiquity; a civilization which existed because of industry. The periodic overflowing of the Nile, both irrigating and fertilizing her rich plains (the word Egypt means Black Land), produced a productivity unrivalled in the Ancient world and her camel caravans, extending her trade as far as Eastern India, brought her a prosperity which formed the foundation of her civilization.

The Phoenicians were perhaps the world's first great sea power. Their ships not only penetrated every nook and corner of the Mediterranean, transplanting colonies and establishing trading posts, but sailing westward through the Straits they traded with Britain and the land about the Baltic. The demand for goods to be exchanged in this

commerce, and the wealth flowing from both manufacturing and trading, made Tyre and Sidon among the wealthiest and most civilized of ancient cities, and created in Carthage a city of over a million inhabitants, exceeded in population today by only four or five cities on the Western Continent. Her affluence so aroused the jealousy of Imperialistic Rome that she finally fell a victim to its Legions, just as other successful commercial cities have fallen a victim to greedy power in our own times.

The civilization of Greece, with its art, its poetry and its philosophy, existed because of the trade and commerce of its colonies, and the age of Pericles, when its culture reached its apex, was the time when the philosophy underlying its industrial life most nearly approximated our "free enterprise" of today. In his fascinating book, "The Business Life of Ancient Athens," Dr. Calhoun gives us a glimpse of the too little known details of its commercial life, of the grain trade, the shipping and commerce, the manufacturing and the mining. He describes the banks and bankers, their functions as receivers of deposits, their bills of exchange and instruments of credit. He outlines the life of their capitalists, merchants, manufacturers and engineers. He points out that in the fourth century B.C. the political head of the State was no longer a general or a politician, but had become the State Treasurer, and that the eloquent Demosthenes was proud to recite the fact that his father had gained his wealth from a furniture factory and a cutlery business.

The silver mining industry of Greece built the Athenian Navy, with which she turned back the Persian hordes of Xerxes at Salamis, giving us an Occidental and not an Oriental world today.

Under the urge of her genius for law and order, the Roman Legions penetrated a large part of the then known world, suppressing the brigand and pirate and bringing to the Imperial City the results of the industry of her colonies. Under the protection of these Legions, private enterprise and private initiative sent their galleys to Egypt for her grain, to Asia Minor for fabrics, spices and wine, to Britain for gold and tin, to the Baltic for fish and furs. For centuries the Empire flourished, her great-

ness being the result of the private enterprise of her citizens, protected in the enjoyment of the fruits of their labor by the justness of her laws. She continued to flourish so long as she placed the emphasis upon those principles which stimulated industry and commerce and protected her citizens in the enjoyment of their fruits. She began the decline that ended in her final dissolution when her politicians began to place the emphasis upon the *distribution of the wealth already created*—when, under the idea of “sharing the wealth,” of which we’ve heard so much lately, they sold the protection of the State to a favored few, robbed enterprise of its incentive, suppressed the genius of her commercial classes and debauched the ballots of her citizens by doles and distributions from the public purse. Then came the Edicts of Diocletian, which, by the fixing of prices and of wages, and State domination of all individual activities, brought about her final fall and ushered in the Dark Ages.

#### **Renaissance of Europe**

Industry and commerce practically ceased and because of this civilization disappeared from Western Europe and for centuries its people were born, lived and died in a condition not far removed from that of the wild beasts which surrounded them. Gradually, the indomitable instinct of man to perform useful work, his inherent desire for achievement and for the improvement of his own conditions, began to find expression in the Italian Free States and for nearly three hundred years the Republic of Venice dominated the Western World. Her ships brought cargoes from the East and with those cargoes came a knowledge of the arts and culture of the ancient world. As their traders penetrated the wilds to the North of them, they not only disposed of the goods they had for sale, but in turn told tales of the Civilization of Ancient Greece, the culture of the days gone by, of arts and sciences never known to Western minds. Latent ambitions were aroused, new industries sprang up, men awakened to a new conception of life. The Crusades came. Religious zeal inspired them, but they were made possible by the wealth, the knowledge and the fleets of the Italians. The crusading armies melted away, but the trader stayed behind. The knowledge long treasured by the East and

now transmitted by these traders, began to vitalize Europe and to raise her from degradation toward civilization.

From this seed came in succession the expanding industry of Spain, Portugal, France, the League Cities of Germany, the Netherlands, England and finally the United States, and upon the surplus produced by these industries rested their cultural advancement. You can search the world’s history without finding a single worth-while civilization which has not rested upon the foundation of successful industry. Where industry has not flourished, the people have made no progress either in culture or in their living standards.

The desire for expanding commerce has been responsible for most of our voyages of exploration. Columbus sailed West seeking a new and shorter route to the riches of the Indies, and his difficulty in financing that voyage was not the disbelief of those whose aid he sought in his contention that the world was round, an assumption which many of the royal geographers were quite willing to grant as at least being probable, but rather the fact that he demanded for himself a 10% interest in all the trade which might result from such a voyage. Da Gama sailed around Africa and Magellan around the Horn, seeking commercial advantage. Practically all the exploration of the Western Hemisphere was motivated by a desire to create commerce and provide new industries and raw materials for the older countries. The first settlement in Virginia, and many of those which followed it, were made for the purpose of cultivating tobacco and stimulating the tobacco industry. Our knowledge of a larger world is a by-product of what we call commerce and industry.

#### **Foundation of Culture and Science**

Man’s crucial task is to supply himself with food, clothing and shelter in order that he may continue to live. Until this has been accomplished nothing else can claim his attention. In a primitive civilization each individual must labor to keep himself alive. It is only when, through a coordination of effort, society has produced a surplus that some can be released from the work of producing necessities and be given the leisure to think, to write, to study, to produce music or art, or engage in any of the cultural activities.

The surplus produced by the earning power of commerce and industry supports our educational and social refinements—schools and universities, hospitals and institutions of human relief, parks and public playgrounds, public buildings and fine arts. Research, financed by the surplus of industry and commerce, has largely relieved the world from such scourges as yellow fever, typhus, malaria and tuberculosis; while through its efforts the early diseases of childhood have almost ceased to exist.

We little realize how much of all scientific *thought and discovery* rests directly upon the products of industry. Where would our learning be today had it not been for the invention of movable type and the growth of the printing industry to disseminate the thoughts of one to another; where would our physical science be, based as it is upon the laws of astronomy, had it not been for the invention of the telescope and the improvement of this instrument until the casting and the grinding of a single lens takes a corps of men many, many months? What would the astronomer have done without the spectroscope and the camera to interpret the story told by the telescope? How much would we have had of progress in medical knowledge, had industry not furnished finer and finer steel for instruments of all kinds; microscopes and X-rays to discover that which the naked eye cannot see; electrical instruments and myriad chemicals for unnumbered purposes? *That which we call progress has not come because the mind of man is better than it was thousands of years ago, but because the developments of industry have given those minds tools with which to accomplish results impossible in former times.*

### Industry Opposed to War

In these days we hear much of the attitude of industry toward war, forgetting entirely that the answer to that question is writ large in the story of the past. Going back as far as we can in the history of the human race, we find that industry has flourished only where the State or industry itself has been able to protect it from the pirate, the brigand, and the results of tribal warfare. While it has been the result of industry which has laid the foundation for the glorious civilizations of the past, it is also true that these results came about only where the

State was sufficiently powerful to preserve that peace, in which alone industry can accomplish its objectives.

When industry revived in Western Europe, practically all Europe was a hostile camp. Tribe stood aloof from tribe, and hatred kept them so. But with reviving industry men saw that war hurt trade, and forthwith arose a cry for peace, for government, for law. In some cases the industrial cities organized leagues of their own, separate and distinct from the political States, and maintained their own armies for the protection of their traders. During these centuries it was the industrial towns that maintained the feeble spark of freedom, and it was from their halls that Liberty first raised its voice. The London merchants and traders, as well as the English barons, met John at Runnymede, and it was the necessity of obtaining taxes from industry that forced his unwilling hand to sign Magna Charta. In our own country, the American Revolution left the colonies in desperate shape. Industry and commerce had practically ceased to exist. An industrial depression worse than anything in our lifetime swept the land. The calling of the Convention and the writing of the Constitution of the United States was an endeavor not to form a perfect political union, but rather to create a form of government under which industry might work its way out of the dismal condition in which the country was engulfed. It was created upon the demands of those engaged in economic endeavors, and if we in our day had remained true to its principles the depression of 1929 would have long since been but a memory.

The thesis that business interests got us into the World War is a preposterous invention on the part of those who desire either to discredit industry or becloud the real issue. We embarked upon that strange venture, so contrary to the principles which had governed our action in the past, partly because a majority of the American people came to believe, rightly or wrongly, that the principles involved were vital to us and that the war had really become our war, and partly because the President began, in 1915, to write "notes" to the Central Powers laying down the rules of warfare under which they must operate their submarines. When Germany finally announced that she would no longer abide by the edicts

of the President, but on February 1, 1917, would resume unrestricted submarine warfare, this country was so far out on a limb of its own creation that it had either to fight or ignominiously repudiate the belligerent statements it had made. Today the official communications of Government or the unofficial mouthings of politicians, are much more apt to draw us into the present war than anything that business men can possibly do.

#### Basis of All Progress

Such, in briefest outline, is the glorious story of the place of industry in civilization. Not only has the productivity of industry made it possible for millions upon millions of human beings to live, for whom, otherwise, the earth could not have provided sufficient sustenance, but in addition to that the surpluses which it has created have been responsible for all the finer things of life. Our schools, our colleges, our students, our museums and libraries, our institutions of medical research, those who write our stories, our poems and our plays, who paint our pictures and chisel our statues, who sing our songs and preach our sermons do so only because the men of industry have been able to create more than the world has consumed, and through that surplus have permitted these men to devote their lives to cultural things. Not only our own Civilization, but every Civilization of which we have any knowledge, has grown and flourished because of the work of the men of industry, and each one of them in turn has dwindled and decayed when the incentives producing industrial endeavor have been destroyed and the minds of the people have turned from the production of new wealth to the distributing of that which already existed.

If that is a true picture of the life of the race, why should we men of industry continue to go around like whipped dogs with their tails between their legs? Why should we meekly submit to every accusation and insult that is hurled at us? Why should we allow the Brain Trust, the politician and the demagogue, each one striving to promote his own selfish purposes, to deceive the people and instill in their minds idle tales which have no justification in history or in fact? We "Economic Royalists" are the ones who during the long ages have brought the race from the poverty of the

past to the glorious standard of the present. Why in the name of justice should we not claim the credit that is due us and demand the recognition we deserve?

#### Measure of Progress

In 1915, in the introduction to his book, "Business Psychology," Dr. Hugo Munsterberg, of Harvard University, acknowledged as one of the leading psychologists of his age, made a statement which is worthy the careful attention of everyone who has an honest desire to evaluate human effort. He says:

"We are too easily inclined to fancy that mankind has *changed* and has made progress in every line, but that is certainly an illusion.

"No buildings have been built in the Twentieth Century so beautiful as those of the old Greeks, no dramas have been written so wonderful as those of their great poets, no philosophy has been thought so significant as that of the great Greek thinkers, and the statues chiseled two thousand years ago are still models for our generation. Our legal life is not superior to that of the old Romans, nor are our State and city politics essentially different from those of olden times.

"Social intercourse has not changed much—we have the same motives, the same hopes and fears, ambitions and jealousies. Man is the same in his family circle; man is the same before his God. We are driven by hunger and desire for power, by love and reverence, like untold generations before us.

"But in the economic life with its production of goods for practical use and their transportation and distribution and in the exchange of possessions the change is indeed a fundamental one. The modern factory and the modern credit system, the modern railway and steamer and cable are incomparable with the primitive methods of mankind or with anything antiquity or mediaeval times or even recent centuries have produced. It seems as if we could *nowhere* measure the progress of the civilized human race more directly than in the *glorious changes in commerce and industry.*"

What an astonishing statement! Not only has Industry been the foundation of every Civilization the world has seen, but it is the

only endeavor in which man shows definite progress over his ancestors of three thousand years ago!

### Forgotten Definitions

With this as a background, let's give our attention for a few minutes to industry here in America—what it is, how it functions, what constitutes its driving force, and what its results have been.

But first let's recall some common definitions, so that we may understand exactly what we are talking about:

(1) Industry is a cooperative effort on the part of brains, labor and capital to add value to raw materials.

(2) Unless it is on the road to the bankruptcy court, no corporation pays wages. When it begins to take wages out of its capital structure, its end, unless it changes this practice, is inevitable. It is the product, the goods or services it furnishes society, that pays the wage; it is the customer who fills the pay envelope.

(3) Wealth is not money, or stocks, or credit or bonds. Wealth consists of tangible things which people want, and for which they are willing to exchange their labor—food, clothing, houses, land, buildings, automobiles, anything that someone is willing to buy. It is of two kinds: natural or God-given, such as land, ore, petroleum, primeval forests; and man made wealth that is the wealth that is added to nature's gift by the brain and labor of man. Of the two, the latter has by far the greater value. The tree in the forest has little worth, but when man has cut it down, sawed it into lumber and built a house for himself and his family, he has made it a real joy to the human race. A ton of iron ore as it lies in the Minnesota mines isn't worth much, but when man has taken it out, transported it to the furnace, smelted it into pig iron, transformed it into steel, rolled and drawn it until it becomes a hairspring in your wrist watch, he has produced a value almost as great, ounce for ounce, as the finest gold. Crude oil as it comes from the ground it useless. It is only when man has broken it down into its component parts, and has produced burners and engines through which it can be used, that it comes to have any value at all. The *failure* to make this distinction

between natural and man-made wealth is one of the stumbling blocks over which many are tripping today, in that they fail to realize that the only *pathway* to a *brighter future* is one in which the mental and physical energies of man are *urged to greater production*.

(4) Another thing that we must bear in mind is that the individual or the business makes money and advances his own interests only as he advances the interests of others. In our social life we may observe the principles of the Golden Rule, or not, as we individually choose. In our economic life we obey them, or we pass away. Day by day each one of us as a consumer goes into the market place and casts his dollar vote in favor of those things which best meet his whims or serve his purpose. Those who receive sufficient dollar votes grow strong and prosperous, those who do not go through the Bankruptcy Court.

Those who receive the votes are the ones who in the judgment of the voter give him more than he pays. None of twenty odd million people ever bought a Ford car because they desired to give Mr. Ford a profit. Each one of them, whoever he was, or wherever he might be, bought that car because he thought it was going to be worth more to him, either for pleasure or for business, than the value of the money he paid Mr. Ford. In making that purchase he admitted that in his own judgment Mr. Ford was a benefactor to him, by giving him something worth more than the amount he paid for it. In a free economy, that same principle applies to everything we buy and sell. No man (except possibly a gambler) becomes prosperous unless he has rendered a service to those with whom he deals which in *their own judgment* is greater than the amount they have paid to him. No company grows from a small concern to a large one unless the dollar ballots declare that it is rendering a service to society!

(5) Finally, I want to point out that the world we live in is a spiritual, and not a material world, and I am using the word "spiritual" in its broader sense as pertaining to the mind, rather than in its religious sense. Every change which converted the primitive locomotive of John Stephenson into the mighty machine which hauls our trains today was first a mental image within a human mind. Everything we see about us, whether it be a busi-

ness organization, a sales plan, an advertising program, or the machine or building which exists of iron or wood or stone, was first a picture in the brain cells of some human being:

“The bridge that with its girders  
The mighty gorge has spanned,  
Was by a chief and draftsman  
Within an office planned.  
A thousand may be reapers,  
Where one has sown the seed.  
If idle were the thinker,  
Undone would be the deed.”

The economic life of a people may be reduced to a very simple formula: when laws, or principles, or incentives stimulate the formation of pictures in the human brain, that people marches upward to a higher civilization and a better standard of living; when laws, or restrictions, or lack of incentive *retard* the formation of such mental pictures civilization begins to crumble and decay.

#### Our Standard of Living

You have often heard that here in America our people have the highest standards of living that any people have ever had. Just what does that mean to you? Let's see whether we can paint the picture?

We in the United States have 6.2% of the world's population, and 5.7% of its land area. In 1929 we owned one third of the world's wealth, and that year had 43% of its income.

In 1934, a depression year, we possessed 32% of the world's railway mileage, 76% of its automobiles, 58% of its telephones, 44% of its radio receiving sets, 33% of its broadcasting stations, and 36% of its developed water power. That same year we produced 62% of the world's petroleum, 37% of its steel, 35% of its copper, 34% of its pig iron, 32% of its coal, 52% of its corn and, before we started restrictive measures, 62% of its cotton. Although we have but one sixteenth of the world's population, we consume three-quarters of its silk, two-thirds of its petroleum, one-half of its coffee and rubber, and one-third of its sugar and coal. Today we possess one-half the world's monetary metal (far too much) two-thirds of its banking resources, a purchasing power greater than that of the half billion people living in Europe or the billion of people living in Asia. Our national income

has increased from \$440,000,000.00 in 1790 to \$80,000,000,000.00 in 1929 (181-fold), and our national wealth, from \$500,000,000.00 in 1790 to \$375,000,000,000.00 in 1929 (750-fold), as contrasted with an increase in population of 36-fold. From 1790 to 1930 we built three times as many colleges as the balance of the world ever built in a like period, and endowed them with four times as much money. In the same period we built three times as many libraries as the rest of the world put together, and stocked them with four times as many books.

One out of every five of our children goes through high school, one out of every sixteen goes through college. We possess more institutions of higher learning, privately endowed institutions dedicated to public service, more public schools, libraries, hospitals, free clinics, asylums, institutions for the poor and defective; publish more newspapers, periodicals and books; have more and better music, theaters and movies, more radios, electric lights, electric irons and washing machines, more heated homes, bathrooms, running water, ease of life and freedom from drudgery, a better and a wider variety of food, than any other people have ever enjoyed at any time in the world's history. And, mind you, in all this record of tremendous accomplishment, not one single dollar has been produced by Government. It has been the result, as has always been the case in the world's history, of the men who engage in industry and commerce.

That is what I mean by the American standard of living, the wonder, the admiration, and the envy of the entire world, discredited and despised only by our fellow citizens who haven't the wit to understand the principles back of it. Do you want to preserve it? Do you want to hand it down to your children? If so, wake up and fight for it. Otherwise, it is gone!

#### Freedom the Mainspring

How have we accomplished this miracle? What has been the secret of our success? For nearly three centuries (1492-1787) the progress of this country was anything but startling. It showed no sign of a brilliant future.

Let's admit at the start that we have great natural resources, but other nations, especially those on the Western Hemisphere, have been

equally blessed. Russia is older, larger, and, if we believe her claims, richer in raw materials, but her standards of living wouldn't be considered as even a substitute for abject poverty in this country. Something beside material things has been responsible for our success.

Looked at strictly from the standpoint of the science of Government, the Constitution brought forth in 1787 set up the weakest government that has ever been known to man. In that weakness lay its strength. Although it met with the scorn and ridicule of all European minds and dismal failure was universally prophesied, nevertheless, it stands today as the oldest living government upon this earth. No other has withstood the strains and stresses of the last one hundred and fifty-two years. It is the one and only successful "New Deal" which humanity has ever received from politicians or statesmen.

The Constitution was indeed a revolutionary document. Heretofore, no State had ever been formed except upon the basis that the King possessed God-given rights, that the subject possessed only such rights as the King might allow to him. Under this government, the God-given, inalienable rights belonged to the individual, not to the government. Under it, it was the individual who had the right of life, liberty, and the pursuit of happiness, and the government had only those rights which the individual chose to delegate to it. For the first time in history, a government was erected upon the basis of making the common, ordinary, every-day citizen secure; secure in his right, irrespective of class or birth, to develop his inherent ability to the highest possible point, secure in his right to speak his thoughts unmolested, to worship his God as he chose, to have a press which was free to criticize Government and those who conducted it; secure in his right to freedom from tyrannical persecution, his right to trial by jury, to freedom from indictment except by a Grand Jury; secure in his home by the provision that his property could not be seized by Government, except through process of law, could not be entered and searched except upon an order from the Court, could not be taken over by the Government for the quartering of troops or other purposes without his consent; and, finally, he was secure in his right, *as the sovereign power* in the State, peacefully to petition

his Government, or to change that Government and the people who constituted it.

We are so used to thinking of these things as being perfectly natural, to thinking of them as being as much a part of ourselves as the very air we breathe, that it is almost impossible to realize that up to the time of our own great grandfather they had never existed as a part of any human government. Failing to realize how new they are, we fail to realize what a tremendous effect they have had on our lives and how easily they may be lost.

The great French student of American democracy, de Tocqueville, sensed the result of this change when he wrote, "Democracy does not give to people a more *skilfull* government, but it produces what the ablest governments are unable to create; namely, an all-pervading and restless activity, a super-abundant force and an energy which is inseparable from it, and which may, however unfavorable circumstances may be, produce wonders."

Under this freedom—and by freedom I mean lack of restriction of the individual by Government—each man in this great and growing country was stimulated to do his best, always pushing forward for greater achievement, always striving to improve his own lot and that of his loved ones and by so doing, as we have already seen, improving the lot of all of us. This freedom of spirit, this freedom of initiative, this freedom in every walk of life so long as it does not infringe on the freedom of someone else, is what we call the "Free Enterprise," or Capitalistic System, and it is the secret of the astounding success of the American people.

#### Back to the Dark Ages

But during the last four decades, and especially since March 4, 1933, we have seen a staggering change in this situation. The conception of the place of the individual has been revolutionized. No longer is he God's creature, free to plan his own life and responsible for its success or its failure—a sovereign being whose duty it is to support the State. Instead he has become the child of the State, and the State has assumed the duty of supporting him and providing him his daily bread, which it can secure only by taking it away from one of his fellow men. In return, as it always the case,

the State has been gradually taking over the direction of his life, telling him how much he shall plant, and what things he shall grow; how many hours he may labor and what his wages may be; what the value of his money shall be, and how much interest he shall have on his savings.

Practically every law which has been enacted by the Federal Government since the advent of the present Administration, divergent and contradictory as they have seemed in their general tenor, has had this in common, that it has increased the power and authority of the Federal Government over the life of the individual and over State and local governments; that it has consistently taken away some of the rights of the individual to control his own life and has transferred these rights to Federal power. There are bills, which have been written and are now in the hands of Congressional Committees or are ready to be introduced into the Congress, awaiting only a favorable moment for their passage, which under the guise of an emergency will reduce the free-born American citizen to a state little different from that of European serfs. For almost seven years we have lived under a managed currency, a managed finance, managed agriculture, managed labor relations, and managed hours and pay. Have the politicians, through their management, produced better results than we men of industry produced without them?

We have seen the Federal Government living beyond its means, borrowing money against the future to be wasted in a thousand different ways, each one, however, calculated to increase the power of that Federal Government! Not content with increasing taxes until the total is greater than the total cost to the American people of all their food, we have seen it seize the savings of the people through loans from the banks, which in many cases are far from voluntary, all to support the mad wave of extravagance. We have seen that same Government endeavor to force the yoke of unionism upon free American workmen, in an attempt to bring about a condition in which no workman can earn an honest living without first paying tribute to a labor overlord and can continue to earn that living only so long as it pleases the overlord to allow him to do so. We have seen that same Government constantly fostering a condition where we are governed,

not by laws which all can read and which apply to all alike, but by governing boards and commissions, which write the laws in secret, which act as prosecutor, judge, jury and sentencing officer alike, fulfilling in a perfect manner James Madison's definition of tyranny, i.e. "the accumulation of all the powers, legislative, executive and judicial, in the same hands, whether of one, a few or many, and whether self-appointed or elective, may justly be pronounced the very definition of tyranny."

We haven't witnessed a "New Deal"; what we have seen is the American people, with the speed of an aeroplane, turning back toward the "Old Deal" of Oriental Despotism from which our forefathers started their upward climb two thousand years ago, and if we continue at our present pace, in a single generation we shall have retraced the stops of their slow, painful progress through more than twenty centuries of toil and struggle, and find ourselves in the same morass which engulfed the human race for nigh onto a million years, up to the establishment of a free people under the American Constitution.

If the things I have said to you tonight seem to you to be true, if the civilizations of the past have flowered only when industry reached the heights of prosperity, if the reason for the rise of American industry to heights never before dreamed of has been the release from governmental restrictions of the initiative, the daring, the ability, and the energy of the individual American by a political system which gave him *the maximum of freedom from governmental interference*, and if it is equally true that during the last few years we have reversed that system and have dampened his ardor and shackled his efforts by an increase in governmental regulations, restrictions and regimentation, is it any wonder that our lines of unemployment have been increasing, that our demands for relief are constantly rising, that for the first time in our history the end of a decade finds us with a lower national wealth and a lower national income than the beginning of that decade? Is there any logical reason to believe that so long as this governmental policy is continued we *shall ever get rid of this depression?*

### What Will Your Answer Be?

Men of Industry, this nation of ours faces the greatest crisis since the Pilgrims landed on its shores. Let's quit kidding ourselves. Let's quit murmuring pious hopes that everything will come out all right in the end. Let's realize that the life of man, or a nation, or a civilization is a thing of the spirit, and not a thing of steel, or stone, or wood. Let's realize that if we would go onward and upward we must undo those things which bind, and restrict, and handicap the spirit and the will of man to accomplish useful and lawful things. Let's face the fact that if we are to make progress, we must again realize that man is responsible for the making of his own life, for its failures as well as for its successes, that *he* must support government, and not expect government to support him. After the fairy tales of the past few years, this will be a long, hard, rough road to follow, but it is one that must be followed if we would hand down to our children the glorious land our fathers handed down to us.

"God of our fathers, known of old,  
Lord of our far-flung battle line,  
Beneath whose mighty hand we hold  
Dominion over palm and pine,  
Lord God of Hosts be with us yet,  
Lest we forget, lest we forget."

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