

United States Chamber of Commerce and the Committee for Economic Development are each working on definite postwar suggestions. But this is not enough. Every industrial organization in this country should be doing some postwar thinking.

“Without attempting even to suggest what these programs might be, I want to list what I believe management’s obligations to be:

1. Keep enterprise free and competitive, avoiding all forms of monopoly and price fixing.
2. Eternally try to make better goods cheaper - this is the fundamental key to the success of the system.
3. Every business should have a peacetime plan for its own company - new products, new markets and new jobs.
4. Managers of enterprise should work hand and glove with government to bring about a better postwar world - not just criticize.
5. Business leaders should exert the utmost in business statesmanship, to avoid basic disunity in making recommendations to government...

“Our postwar choice lies between a nation of strong individuals free to carve out their own future through jobs, freedom and opportunity under the American formula of free enterprise, or fruitless employment, economic 'equality' and minimum security under state socialism.”

Edward Eagle Brown: A New Set of Economic Problems

Edward Eagle Brown was chairman of the board of The First National Bank of Chicago when he discussed the nation’s economy at The Economic Club of Chicago on June 5, 1947, on the occasion of the Club’s 20th anniversary.



“The Club has not been, thank God, and I hope never will be, made up of so-called professional economists. To qualify as a professional economist you have to have read the writings of all the other professional economists so as to be able to argue with any other professional economist and prove he is wrong by quoting somebody to the contrary... The really useful economist is the man who first gets the facts of the existing situation, considers with common sense how the situation will probably develop if nothing is done, and if the probable development from the existing facts is unsatisfactory, considers farther what practically can and should be done, again in the light of common sense, to bring about a satisfactory development, or avert a probable disaster...”

“The problems in our economy today that must be dealt with are vastly more complex than they were in 1927. Most of the problems that existed then still remain to be examined and thought about and dealt with, and many new ones have since arisen... And because many of them are so new to our past experience they will require much more ascertainment of facts and much more difficult and constructive thinking for their solution. It is too much to hope that most of them will be solved in the next twenty years, but an intelligent approach to them must be made by men of common sense and good will, if our city, our country, and indeed the world and our civilization are to survive and go ahead.

“First and foremost, I would put the problems

raised by the discovery of how to release and physically control atomic energy... It is comparable in the effects it is going to have on our lives and those of our descendants only to the original discovery of how to make and control fire by our prehistoric ancestors. It threatens on one hand the destruction of mankind and civilization and possibly of all life on the planet. It promises on the other, by furnishing cheap power anywhere, to greatly increase the amount of goods which mankind can produce and to bring about an abundance now undreamed of... We cannot afford to take the chance that some nation, or even some small terrorist group within our own or another country, may use atomic energy for destructive purposes. The control must be not only nation-wide, it must be world-wide, it must be complete and thorough...

“Assuming first that some means will be found to prevent the misuse of economic power, and second some way of preventing another world war worked out...I think in essence there are two major problems, each with myriad subproblems. The first is, to what extent shall our government control the economic life and activities of its citizens. The second is, how can a nation such as ours with an economy that is primarily based on a free enterprise system trade and deal with other nations whose economies are primarily socialistic. There is a third and less complicated problem which will be with us for generations and that is the management of the public debt...

“The problem as to what extent government shall control economic life is not a new one; it has existed since governments were formed... We want an economic system that will produce the maximum amount of goods and services. We want those goods and services to be distributed equitably and widely. We wish for security in our economic life for ourselves and our families. We want opportunities for advancement and to better our condition. We want freedom of action to work in lines that interest us...in other words, we want liberty.

“Unfortunately, these various things that we want often conflict. Governmental control of business

may promote the realization of one of our desires but almost always at the expense of reducing the possibility of the attainment of others... In the war, not only our own government, but many other governments, through the use of extensive and complete controls over economic life greatly increased the total production of goods and services over anything that had gone before. This was done only because people under the stress of war were willing to give up or subordinate, for the time being, their other economic desires in order that maximum production should be obtained for the war effort, and to have their freedom of action and liberties severely curtailed...

“I can only urge you to remember that every form of governmental control involves some loss of freedom and that legislation which advances the accomplishment of one desire of the American people may and generally does reduce the possibility of attaining other desires... Further, as practical men, since this is a democracy you must take into account the fact that since the Great Depression the desire of a great part of the people for economic security even at the sacrifice of other aspirations is stronger than it has been in any previous period of our history...

“The second main problem that we must study and solve is how a nation with an economy based on a free enterprise system is to trade and deal with other nations whose economies are primarily socialist... Shall our government purchase all our import requirements of certain goods by arrangements with foreign countries...and then resell at a fixed price in this country? Shall we let foreign governments make all their purchases for their nationals of our products without restriction or control?... Shall our government buy all goods for export and then resell them abroad?...

“I have mentioned these possible approaches, and they are not all the possible approaches by any means...merely to give some indication of how complex the problem is, and of how much thinking will be required in the coming years about it by you and others like you who are interested in economic

questions...

“Our Federal debt is today over \$250 billion... With the importance of the management of the public debt so great...you and all other citizens with common sense and interest in economic questions should do all in your power to create public sentiment for a steady reduction of the total debt and for the gradual refunding of the short term debt and its shifting out of the banks into the hands of permanent investors... The process can only be a long one continuing not only through our generation but long after...”

“I do not doubt I would have interested you much more if I had made prophecies of what is in store for business and the economy of our country and the world in the next few years, or even in the next few months. But I am no prophet and I do not know what is coming. Neither have I faith in prophets, in these days of uncertainties, and I can only advise you to beware of them. First ascertain the facts and then apply your own common sense and thinking to them.”

**William A. Patterson:
Flying Over the Pacific**

William A. Patterson was president of United Air Lines, Inc. when he addressed The Economic Club of Chicago on May 2, 1944 on the subject of transoceanic passenger service.



“A few months following Pearl Harbor, we received a phone call from Washington asking if we were willing and able to conduct regularly scheduled flight operations across the Pacific. We had no previous experience in that type of operation.

However, our answer was similar to that of all industries when requested to do a job for the

successful prosecution of the war and we agreed to undertake the responsibility.

“We were given five weeks in which to make our preparations. There was no such classification of skill and experience in our organization as that of navigator. We couldn’t go out and hire a number of navigators to fill the quota. We had a training department which fortunately was equipped to teach celestial and other simplified methods of navigation. We employed 25 sophomore and junior students of Purdue, taught them navigation, taught our pilots navigation, developed flight mechanics and in five weeks we were ready. Our organization naturally was tense about the first flight but as evidence of its success and of the simplicity of ocean flying, the first two trips that left 24 hours apart were separated by a minute and one-half at their first mid-Pacific stop, which showed extremely accurate navigation.

“Such transocean operations for the Air Transport Command are not peculiar to our company. Every major airline in the United States is flying some ocean—and to virtually every important place on the globe. It is obvious today that transocean flying is routine. Not just the airlines are performing this job...All this illustrates one thing—that global flying is routine and that its practicability is without question. Such activity has aroused great interest regarding the potential growth and effect of international flying...”

“Global maps became the subject of much public discussion. They stirred the public imagination as to the proximity of nations and the shrinkage of the world which the airplane would make possible. Some advanced the theory that this closer intimacy would make the world a more comfortable place in which to live. Others went so far as to state that we would be one world—happy, contented and with good feeling everywhere.

“The combination of all these factors started our industry boiling with international plans. The ambitions of our operating personnel were aroused to tackle a job of this kind in peacetime—with