

“Then, there have been the unpredictable shifts in commodity positions. It seems hardly creditable now that when France fell, the loss of the French copper order seemed to doom Chile to an unbearable drop in foreign exchange revenues in the absence of copper markets to replace the great French purchases. But as our own defense program forged ahead, we have been able to buy hundreds of thousands of tons of copper, with a resultant complete change in the outlook for producing countries...

“In former days, when warfare was waged largely on a military basis, it might have been conceivable that we could have remained aloof from the outside world and successfully defended ourselves from military invasion. But today, the world is involved in a new and insidious type of warfare, a type of undeclared warfare that is not confined to the conflict of fast-moving armed forces in open battle or to the great naval encounters on the high seas, or daring dog fights and dive bombings of modern airplanes.

“Rather, it is an all encompassing warfare that knows no bounds and recognizes none of the human rights and common decencies. It scoffs at truth and fosters the immense lie. Invisibly it enters our homes and undermines the security and morale of our families...

“This new type of warfare is total war, and its goal is the utter and complete demoralization of the free peoples of the world, the very destruction of our civilization. Consider the tragic fate of the democracies of Europe. The pattern has been the same in one country after another, first Austria and Czechoslovakia, then Norway, Denmark, Holland, Belgium, France and now the Balkans. The democracies of Europe had grown soft and weak. They had been lulled by a sense of false security. They were not on the alert to defend themselves against this new kind of warfare. They were not aware of its dangers until the penetration had gone too far, until it was too late. Let us not be deceived. It can happen here. It can happen anywhere in the Western hemisphere, and the danger is a lot closer than most of us realize.”

**F. C. Crawford:
It Can Be a Better World Afterwards**

The United States was deep into World War II when F.C. Crawford, president of Thompson Products and president of The National Association of Manufacturers, addressed The Economic Club of Chicago on the postwar world on May 6, 1943.

“I’ve just completed a swing around this whole country. I’ve talked to people - workers in factories from New England to the West Coast.

“‘Sure,’ they say, ‘I’m doing fine now, but how long is it going to last and what’ll I do after this is all over?’

“The postwar concern of the American people, make no mistake about it, is centered on jobs.

“And make no mistake about this, either: when the government planners come up with the idea of ‘guaranteed jobs,’ it warms the cockles of the hearts of the American folk.

“Of course, the promisers as usual are none too specific as to what they mean by ‘guaranteed jobs.’ Do they mean jobs at inflated war pay, jobs to all those not normally in the working force of the nation or jobs raking leaves as in the 30’s?

“But it is a fair question to ask, ‘Well, if government can guarantee jobs, why doesn’t private enterprise do the same?’

“Private enterprise cannot guarantee jobs but it can do something far more important - it can create jobs...

“Government cannot create wealth. It can, by taxation and ‘pump-priming’ shift wealth from the more fortunate to the less prosperous. In order to make the shift, government must take from those who have the capital which, if invested, would make more efficient production possible.

“Thus this shifting of purchasing power does not

create new wealth but rather discourages it. Temporarily, it can improve the status of the poor by doling out money recaptured from the relatively wealthy. But eventually it brings everybody to the same level and there the process stops because for each dollar given a man you must take one away from him.

“The fallacy is evident. Efficiency of production has not been improved. New wealth has not been created. There has been nothing accomplished but the sharing of an existing insufficiency of wealth.

“In other words, since wealth is created by more efficient production and since this depends on the continuing investment of capital and new tools - permanent improvement of purchasing power can come only through plans which will stimulate the investment of private capital.

“This, then, is the test by which every postwar plan for job making should be measured: Will it stimulate the investment of capital?...

“Talks of ‘guaranteed jobs’ and huge spending programs by government shake confidence in a good future.

“The greatest drawback to prosperity in the postwar era is the uncertainty of government’s real attitude toward private enterprise.

“Prime Minister Churchill inspired British confidence in the postwar outlook by publicly rejecting any thought of a complete peacetime overhauling of the English economy. Mr. Churchill recently said: ‘We must beware of trying to build a society in which nobody counts for anything except the politicians and the officials, a society where enterprise gains no reward and thrift no privilege... Of all the races in the world our people would be the last to consent to be governed by a bureaucracy. Freedom is in their blood...’

“We need a Churchill-like statement from our Chief Executive, a statement of the bedrock on which we intend to build the future. No other one

thing would contribute so much at this time to sound planning for the postwar America.

“Upon such a foundation, Government and industry could plan:

1. Policies for the utmost encouragement of a free and steady flow of capital into job-making enterprise.
2. Formulation of tax laws which will permit rewards for successful production and distribution, making private investment worthwhile.
3. A stabilized currency at home, and so far as is possible, a stabilized currency relationship with other countries.
4. A credit system which will provide adequate funds for working capital and expansion, but which will not go so far as to encourage a speculative boom.
5. The formulation of a national labor relations policy which will restore industrial harmony and increase production.
6. Avoidance in management and government policies of rigidity in wages and prices, and avoidance of rigidity between them.
7. A reappraisal of the relationship of government and industry to eliminate unnecessary controls and regulations.

“We recognize that unless there is concluded a type of world peace in which a sound economy can exist and the whole international picture is conducive to the existence of our ideals, the seven steps outlined cannot of themselves do the job of domestic rehabilitation.

“Now I am not passing the economic buck to government. Postwar plenty is going to come not only out of national teamwork, but out of the realization of every group and every citizen that they must not await some super plan to glory, but that every interest and individual must accept responsibility for their own planning, as well as helping our government.

“Management cannot sit idly by and dare government or any one else to prepare the ‘primrose path.’ The National Association of Manufacturers and the

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