

given me, I know the damned thing is not right. And that is all I know about economics.

“That is the kind of economics I hope this club is going to stand for, high brow enough to be sound, but low brow enough that anybody on the street can understand what the hell we are talking about. If it is not that kind of practical economics then as far as I am concerned, it is just like the rest of the economics talks I have heard and tried to read. I’ll not know what it is all about, and I will go on just as I have always done, saying, ‘It sounds all right, but I don’t know what he means.’

“What is this club going to be able to do for the citizenship of Chicago and, if for Chicago, then perhaps for the country as a whole?

“In ten years I have seen the city of Chicago apparently almost double. I have certainly seen its wealth double. It is a rapidly growing, tremendously important city, tremendously important in the affairs of the nation. But with its importance comes the corresponding responsibility of utilizing the opportunity inherent in its very greatness for the further promotion of the welfare of this community and of the nation. Our importance will be a blessing or a curse, our wealth and our power will work for evil or for good just to the extent that the intelligent citizenship of the city apply themselves to the proper and useful direction of that power and the utilization of that opportunity...

“It is my opinion that this club, and I say this with an apology, for I realize it would take a great deal of credulity on your part to accept it, and that if this club wants to be worthwhile in the city of Chicago, it may occasionally, if it pleases, indulge itself in a high brow professor from some great institution of learning to talk on a theoretical economic subject. But it will do much better if it confines its programs to the everyday fellow on the street or in the office of the city of Chicago, who knows damned well from a horse sense standpoint what he is talking about and who comes up here and talks to us about the things that we ourselves are too busy to get the information about.

“That, in my judgment, is the character of program that this club should accept and adopt as its policy, the character of work it should do. I believe...that this club offers the young men of Chicago the greatest opportunity that they have ever had to qualify themselves for yet broader and more useful services in the city...”

Julius H. Barnes :
As the Great Depression Approached

Julius H. Barnes was the president of the United States Chamber of Commerce when he delivered his address to the Annual Meeting of The Economic Club of Chicago. It was on the eve of the Great Depression, December 11, 1928.

“Now, I say that we have certain very significant indicators here in America, when you study this science of economics, that it is not an accident that America, with 120 million people, transforms annually practically half the basic raw materials of the world, half of the coal, iron, steel, copper, cotton, timber and oil. It is not an accident. It is based on certain fundamental things which we have a right to be interested in. Moreover, it runs against the whole history of economics, of the life of the peoples, if you please, that this 120 million people can maintain this leadership of what man can aspire to own and enjoy.

“For instance, we have the right to test what the highlights are in this particular stage of living to which we have advanced today. Does it not strike you as significant when the statement is made by the Smithsonian Institute that today, every man, woman and child has in his service the equivalent of thirty slaves? For the American family of five, they are served in various forms by power, light and energy, the equivalent of 150 slaves, at a wage small enough to come within the reach of all.

“Twenty three million users of electricity. Think of it. What is the significant thing lying behind the fact that the total railroad tonnage of this country

has almost doubled in fourteen years? What is the meaning that lies behind the fact that we now have 53 million individual depositors in savings banks. What does it mean alongside of that extraordinary growth in the use of private enterprise in the form of banks when we think of the distinct decline in the deposits of postal savings banks from \$700,000 six years ago to \$400,000 today? The answer is that apparently the people have faith in private enterprise against the security of the government.

“There are seventy-five million insurance policies in effect for a total of a hundred billion dollars contracted by private enterprise for the payment of a certain thing not longer than the span of a human life many times the total of reparations and allied debts which are calculated to be extinguished in sixty-two years with all the wealth of peoples behind them.

“What does it mean? Twenty-three million autos and nineteen million telephones. Does that astonish you that we have more automobiles and telephones, or that we spent 400 million dollars for radio, a new device? These are indications of extraordinary change in America. And in science, we have such daily wonders that we no longer marvel. We have ceased to attempt to comprehend it; human comprehension is too finite to grasp it. But again I say that if economics, as is stated in the textbook, the science of man earning a living, that meaning today includes automobiles, radios, country clubs, and a few other things of that sort, then we have a right to study what there has been about the production of wealth and its distribution in America that deserves the profoundest study and support.

“After all, wealth, as you know, is only transforming raw materials of nature in the forms of use by man, and we have learned to quicken that transformation so as to create, in less time than ever conceived, this wealth and we have a social system that has distributed it more fairly than ever before in the history of the world, and that seems to be what happened.

“For the first time we have millions and millions of potential buyers who are able to satisfy their preferences for the first time in history. That is a very significant thing when you remember how closely we developed in the early days, and how fast this came on us, only in the ten years since the war, and in spite of suffering a delay on account of the necessity of deflation...

We have done these things because, fortunately, we have appealed to a stimulated human effort based upon three ideas. First, because we have placed the burden of manufacturing, producing and distributing upon the energies of nature, directed by man’s intelligence. Second, because of our social concept, because we would not have any social stratification here that closed the door to advance to any man, and that recognition in our social structure should be the product of character and ability only. And third, and more important than all, a political philosophy that government exists primarily for the preservation of the people, for the individual, and that it must be the umpire, not the player, in the business game. These things are the precious motives that last as long as human nature exists, and they will write successively higher living standards of whole peoples.”