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Convocation address
An address at the Graduation Convocation, December 19, 1946, Ohio State University

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One hundred and seventy-five years ago a young volunteer in Washington's army, caught in a conflict of loyalties between the crown under which he was born and the land of his adoption, wrote a pamphlet whose opening line supplied the Revolution with its rallying cry, "These are the days which try men's souls." The die was cast, and American fortunes were at a low ebb. The time to equivocate, to hedge, and to temporize was past. It was a crisis in which men must align themselves openly with their convictions and take the consequences.

The times are ripe for another Thomas Paine. Lovers of free institutions, which spur men to work out for themselves their personal and national destinies, are finding their souls severely tried. We are appalled by the forces arrayed against us, and we are no less dismayed by the ineptitude of our supposed champions in high places. Some of these forces are the inevitable forces of disintegration. There is a sense in which peace is harder to wage than war. War exerts a powerful but wholly artificial unifying influence. White men and colored men, religious men and atheists, Republicans and Communists, capital and labor, city folk and farmers, all sink their conflicts in the common cause. When peace comes every disintegrating force is let loose with an intensity doubled and redoubled many fold by the sheer intimacy of their war-time union. When you add to these internal repulsive forces of class, creed, race, economics and politics, the external conflicts of late allies whose only unity in war came from their common hates rather than their mutual esteem, you get a very sick world.

This is not new in human experience. It has happened before and the world gets over it. Wars have a way of ending in revolutions, and this is no exception. Revolutions are not necessarily bad. Thomas Jefferson, who was certainly no wild-eyed fanatic, once said that every nation needs a revolution about once in twenty years. Revolutions are the means by which we liquidate out-worn ideas and outmoded leadership and give young blood a chance. Young people have a special stake in them.

These merely disintegrating forces I am confident we can cope with, but what of the more sinister and calculated attacks on individual rights and human freedom? Can democracy cope with an explosive world, or is it a social system so loose and disjointed that it can operate only in the half-empty spaces of a virgin continent, where it was once free to blunder in an isolation now destroyed beyond repair by jet propulsion and atomic fission? To lovers of democracy, these are the days that try men's souls.

I cannot believe we shall be helped by an attitude of uncompromising dogmatism. This is a privilege denied alike to disciples of Hamilton and Jefferson and reserved to those that follow Karl Marx with fanatic zeal. I share the religious faith of those who believe that there are ultimate values in human personality that give to individual man inherent dignity and worth, above all distinctions of race and color, or circumstance and creed. I have no fear that this principle will be overthrown, for I believe it is a truth embedded in the very foundations of the universe. I cannot prove it, but I can trust it. I cannot, however, share the dogma that there is anything permanent or sacrosanct about some particular political or economic system. These systems are not revelations handed down from the thunders of Sinai, but instruments which men have fashioned out of their experience and the circumstances of their times to aid them in realizing particular desires and goals. These are transitory and not eternal -
"Our little systems have their day
They have their day and cease to be."

It was so with the patriarchal society pictured in the Old Testament; it was so with the empires of Xerxes and Alexander and the Caesars; it was so with the feudal system of the Middle Ages; it was so with the divine rights of kings; and in time it may be so with democracy and capitalism, as with fascism and communism as well.

Nor do I think we shall be helped by taking our stand on the dogma of unlimited national sovereignty - the absolute right of every nation to judge its own cause, to act in its own interest and to carve out its own destiny within limits set only by force, which has led the world down the blind alley of international anarchy. That dogma, we are beginning to suspect, went with a world where nations could enjoy the luxuries of isolation and where military might, however imposing, was after all inherently limited. Civilization can never again see that day. As Professor Ulich of Harvard reminds us in his timely book, The Conditions of Civilized Living, "Man has become too powerful and the earth too small to allow him the unwise use of his power." In short, the blunders which our grandfathers took for granted are likely to be fatal in our generation.

Nor do we dare to be dogmatists in a world that needs differing economic and political systems. Here in America we have evolved a system of freedom of belief, of opinion, of political action and of business enterprise peculiarly suited to a nation of wide open spaces, lavish resources, high technical skill and unrivalled industrial capacity. We felt little need of social discipline - we were a people bent on getting on as our personal and national goal.

Social discipline? Leave that to men in a lifeboat! But Britain, ever since Dunkirk, has been a people in a lifeboat; once rich, now impoverished; once powerful, now outstripped; once the world's great manufacturer, banker, shipper and rice bearer, now facing a world bent on self-sufficiency; and crowded into a spent island which cannot feed her people nor supply her industries. So Britain asks nothing better than holding on. To live at all, she must double her pre-war exports at the expense of every vestige of luxury and even of comfort, and that is more than a free economy can attempt. So Britain has gone half-way to collectivism and may find no stopping place short of the end of the road.

The Russian bear, after hibernating for two centuries while the Western world advanced swiftly in industrial and military technology, is now desperately aware of the fact that it must appropriate that technology within two short decades - and one of them already gone - or it cannot survive. To spur its people to the needed heights of sacrifice and effort, it needed a new Utopian faith and found it in the Marxian ideology. To force the pace of industrialization it needed a totalitarian system that penetrated into every nook and corner of life with unrelenting rigor. All this has been very needful to a belated people bent on catching on. Getting on, holding on, catching on - thumbnail symbols of the warring ideologies of our times!

Naturally, each of us thinks his own system good. If good for us, why not for everybody? So we press them upon the world with militant zeal. Are we less zealous than our rivals? Have we given them less cause for distrust than we impute to them? Rivalry and distrust, plus atomic weapons and super-potent poisons, breed a fear that no way can be found to live in the same world together.
Our own slogans, coined in an up-surge of idealism, return to plague us. Stalin and Molotov, and the Soviet leaders around them, being resolute men of not only one mind but one idea, believe that this literally is "one world" and that "peace is indivisible," and leap with startling directness to the conclusion that the one chance to create security and concord lies in quickly achieving a world-wide acceptance of their social philosophy.

The liberal way of life, seemingly so simple with its rule of "live and let live," is in reality one of the most difficult paths man has ever chosen to tread. This is its great dilemma, to believe in freedom so completely that you must grant it without stint to the enemies who will use freedom to try to destroy it. It would be utter folly to put our hope in any genuine reconciliation of our faith with that of Stalin and Molotov. It would be utter folly, after the example of Chamberlain and Hitler, to put our faith in appeasement. Even Henry Wallace does not expect that. We have no choice, short of abandoning our world commitments, but to convince the communist forces that they and the forces of democracy can live in one world together on the basis of fluid, day-to-day accommodation, achieved by infinite patience, restraint, intelligence and good will. The role of our foreign policy is terribly difficult. This patience and good will which we must exercise we cannot expect Russia, haunted by a sense of her present backwardness and weakness, to match. The strong, as always, must bear the infirmities and limitations of the weak, and we are the strong. As every engineer knows, elasticity makes for strength and rigidity for weakness. How much simpler it would be to appease, or to play the role of an international bully, yet we know in our heart of hearts that we cannot afford it. The way of the liberal is hard.

My concern today is not so much with dividing the fruits of victory as with dividing the fruits of progress. It lies less in the wrangles of the United Nations than in the epic struggle now raging in our own world of industry. One cannot separate the two, for unless we set our own house of freedom in order we shall soon be powerless as a champion of freedom in the world at large. We shall be as Samson shorn of his locks. The issue in this struggle is neither simple or single. Actually there are three battles raging in the realm of industry at one time and on the same terrain - one is a battle for power, one is a battle for security, and the third is a battle for the fruits of progress.

Take first the battle for power. If anything is plain, it is that some new center of control in industry is needed. The old rule of power vested in ownership has broken down, as management's past excesses and blunders arise at every turn to plague it, most of all in the incitement given to labor to demand power without responsibility. The rule of free bargaining has broken down, as government intervened first to tip the balance in one party's favor, and then to hold the price line while wages soared; now only its legal shadow remains. The rule of political appeasement has broken down, with the pay-off of war time promises that labor's part was to be all gain and no sacrifice, given openly in exchange for votes. The rule of labor solidarity has broken down as the nation twice threatened with dearth of fuel and transportation revolted on the brink of chaos. And now the rule of public authority has all but broken down. It started to crack visibly six months ago when the President began by shaking his fist and ended by shaking his finger, and now only the Supreme Court stands between the nation and one man's power to bring paralysis.

The doctrine of sacred rights has broken down, the assumed right to do whatever one chooses with his property, the right to run one's business as he pleases, the right to hire and fire at will, the right to work or strike at caprice,
and the right to paralyze a community or imperil a nation or starve children in other lands just to get one's way. That word sacred, it appears, has been a shield too many men have tried to seize, and far too lightly. Wise old Justice Holmes, in a day when the Supreme Bench commanded higher honor, spoke the brave and simple truth,

"When the powers of either labor or capital are exerted in such a way as to attack the life of a community, those who seek their private ends at such costs are public enemies."

Let us hope that his mantle has fallen on men of today who will heed his words!

Labor, in opposing its will to capital, has insisted that the struggle is merely two-sided, with the result of merely substituting one set of excesses or abuses for another. It is high time for the Congress and the courts to recognize by weight of law that there are not just two parties with a stake at issue, but rather four. Investors have a stake in it. Industry without capital is inconceivable; men will not save without incentive or risk without hope of gain; and no free government has ever existed apart from free enterprise. Wealth invested in industry cannot strike and survive. Its only worth, except what the junk man will pay, is in its productivity and there hangs over it at all times, like threat of doom, the specter of obsolescence. These things should be the measure of its reward, but the rights of property are relative and not sacred.

Workers, too, have their stake. Men must work not only to live but to maintain their sense of worth. Slaves can be driven by the lash, real or symbolic, but free men will not put their hearts into their work when driven by compulsion, or haunted by fear, or denied the right of association or frustrated from normal self-expression. Here we come to grips with the crucial issue of the moment - to get labor to put its heart back into production. Was ever a fallacy more discredited than the supposed economy of low wages and excessive hours of work? Workers are entitled not to a pre-determined amount of purchasing power but to the conditions and rewards of work that will make them most efficient, but this is a relative and not a sacred right.

Consumers also have their stake. Subsistence is possible on a hill-billy farm, but no one can prosper unless customers can buy. Artificial scarcity and its inflated prices can bring only transient gains to the few, while abundance at attractive costs benefits everyone. Henry Ford's high stroke of genius was in curing the automotive industry of its luxury complex while it was still young, and doing it at an unprecedented wage level. Labor has no right to claim the entire fruit of technical progress in the fact of its admitted decrease in productivity. High wages with high output make eager customers, and if we wind the battle against inflation it will be on our farms and production lines rather than in the stronghold of alphabetsocracy.

The public, too, has its stake and it is a large one. An unstable economy is a threat to public calamity. Nine-tenths of the world's business is done on credit, and credit is faith in a future where a dollar is worth at least as much as it is today. If we in the United States go in for the dubious luxury of inflation, we shall inevitably lend-lease it to our neighbors in the two Americas and possibly to the world. If we create an artificially high wage level based on scant production we will automatically force our economy back within itself; we shall not
have goods to sell nor the world means to buy; nothing could more surely dim the
hopes of recovery for a stricken world or make peace harder to gain and to hold.
The public which cannot permit the financial world to throw its weight around like
a blind Samson, nor countenance a monopoly of goods and markets, must now bring
labor under similar constraints if the pillars of economic freedom are not to be
pulled down.

Industry is a battle ground not only for power, but also for security. Contrast
our times with those of the founding fathers. One hundred and fifty years ago our
cities were few and small, industry existed only in rudimentary forms, our economy
was primarily on a subsistence level, and our whole population either lived on the
soil or one short remove away. Three quarters of our people gained their livelihood
with their own property, and property spelled security. In times of adversity men
returned to the land. How different is today's scene - our economy industrialized
- our population urban with roots permanently torn from the soil, and only one-sixth
or possibly one-seventh of our people gaining a livelihood through use of their
own property. When lean years come, there is no place to go but to the relief roll
or the insurance office. Property in its modern forms is then no stronghold, more
likely a liability. The fathers were a property-minded generation; we are a job-
and-social-security-minded generation. They threw the protecting arm of the law around
property to make men secure; we, in contrast, are throwing it about men's rights
to jobs and incomes.

There are tides in the affairs of men as inevitable as the tides of the sea.
This surging demand of our day for security of work, income and health is such a tide
and America is being swept as every other urban and industrial nation has been
swept before it. What does labor want more - power or security? Walter Reuther of the
U.A.W. flatly states that labor cannot be counted upon to put forth its full productive
effort until it is guaranteed continuous employment at a satisfactory annual wage.
Engineers control the tides and prevent them from washing away the shore line;
they actually harness them and make them do useful work. But only fools try to
swEEP them back with a broom.

To one associated with the world of science and engineering, the third aspect
of industry's battle - the right to claim the fruits of progress - is one of
special interest and concern. A year ago we were just catching our breath after the
dramatic advent of atomic power only to have it knocked out again by the boldness and
insistence of labor's demands. When we added up the wage scale and working schedule
demanded of General Motors it came out that each hour of production was being called
upon to sustain virtually forty per cent gain in wage distribution, and this in the
face of a forty per cent decline in man-hour output since the onset of the war. In
effect labor was demanding, mostly in advance, a ten-year pay-off of the entire fruits
of scientific progress and technical advance. The record here is fairly clear; the
average rate of gain in industrial productivity from these sources is four per cent
a year.

To be sure, some of this gain had already been accumulated under a frozen war-time
wage scale. High authorities in automotive and other industries seem to agree that
a ten per cent advance in normal wages could have been absorbed without significant
price advances. All else was a purely inflationary gain of illusory value to labor,
once a new wage price balance became established. I am told that a settlement on the war
issue alone might have been reached fairly early, but when labor's spokesmen were asked
what they proposed to do about restoring production levels, the answer was an emphatic
"nothing doing."
No less a mouthpiece than John L. Lewis quite frankly avowed in a New York Times article that labor had no intention of being merely reasonable in its demands - it had done that in Great Britain and see what had come of it, low wage scales, inadequate living standards, obsolete equipment and declining exports. No, what labor aimed to do was to force the pace of progress in its own interest. Mr. Lewis, it seems, had some solid ground to stand on. A recent survey of the bituminous coal industry made by two of Cleveland's ablest economists disclosed the striking fact that the entire economic return on the investment of recent years in the mechanization of mines had gone into the pay envelopes of the miners. There had been no added profit to the owners and no cheaper or more abundant coal for the consuming public.

This is a matter of profound concern to the investors, the managers, the scientific men and the engineers who are expected to deliver the fruits of progress. It is even more a cause for concern to the public at large now hungering for an improvement of general living standards. If organized labor is to be permitted as a matter of right to claim the entire fruit of technological gains, if industry is to be operated primarily as an agency for distributing purchasing power rather than producing goods, if wages are to be geared to a predetermined standard of living rather than to labor's output, if profits are to be subject to the veto power of workers, we are entering upon a revolution which might turn out to be the end of all free institutions.

Any such policy would force the entire process of fixing wages, production levels, prices and profits permanently into the realm of political action. There would be an immediate demand for public yardsticks not only in the power industry but in every realm of enterprise. Every lagging response of investors would be a sit-down strike of capital for government to break. Every disappointing verdict in a wage controversy would raise a clamor for government operation. When government ultimately becomes the principal agency of economic production or control, if history can be trusted, it inevitably becomes a tyranny no matter what ideology it professes. In no quicker way could we in America destroy freedom of education, of political opinion of religious belief of cultural expression, as well as of business enterprise. Freedom, it seems, is one and indivisible.

In economic matters, these controversies of our day show us to be a nation of shocking illiteracy. Our people, even our leaders in high places have little understanding of economic processes. They are easily bewitched by fantasy and illusion. How widespread is the illusion that we have been enriched in fighting the most destructive war in history, or the illusion that money we have multiplied artificially represents wealth, or the illusion that the national debt either isn't a debt or doesn't matter because we owe it to ourselves, or the illusion that the means of satisfying labor's demands pre-exists with General Motors or U. S. Steel or General Electric sitting on some pot of gold which a public factfinding agency should compel it to shell out to the C I O, or the illusion that science has mastered the secret of Aladdin's lamp and technology has provided a cornucopia which needs only to be tipped to the right angle by political hands in Washington to pour out an automatic abundance for all, or the perhaps supreme illusion of all that labor can get more and more for itself indefinitely by merely taking it away from somebody else.

Set over against this last illusion certain well documented facts, first that the fraction of what industry produces that has gone into labor's pay envelopes these past forty years has remained almost exactly constant, second that the rise in
the worker's standard of living has not kept pace with the rise in his money wages, and third that the cost of nearly every service or product which largely represents labor has risen inordinately, while the cost of nearly every service or product which largely represents a technological operation has gone down. To illustrate, when it costs $1 today to lay a dozen bricks in a wall, while electric energy equivalent to ten men working one hour can be bought for one or two cents, something is plainly screwy. The incessant demand for wage increases without any concern for matching increases or economies of production has become perhaps the most gross and sinister inflationary force of our times, a force which if unchecked could wipe out virtually the entire endowment of wealth our generation has received from the past, impoverish our culture, reduce to beggary all who live on pensions and insurance, ruin the salaried intellectual classes, paralyze all enterprise and in the end wreck our free institutions.

The prospect is one to dismay all liberal souls who have defended labor's right to organize for protection on a scale balancing the organization of industry. How can this fog of ignorance and illusion which envelops our economic life be dispelled? The spokesmanship of the business and financial world, since the crisis of 1929 has been for the most part unbelievably inept, offering little more than resounding platitudes about free enterprise and the American way of life, if one excepts the more enlightened publications of the Committee for Economic Development. Our day to day economic history is being recorded in the formidable language of accountancy, as clear and rigorous as science to experts, but just as much abracadabra or baloney to the average labor leader and the man on the street. Start at Broad and High Streets, walk to the railroad station and ask every man you pass how much of its income industry pays out in dividends and fancy executive salaries and he will probably tell you about half, whereas the average figure is more like five per cent. Meanwhile American labor lightly assumes that all industry's problems in multiplication are solved and all that matters now is how we cut the cake.

Yet we live in a world in tragic need of new wealth, if ever the incalculable wastage of war is to be repaired and the aspirations of mankind are to be realized. Our past here in America has led us to rely all too largely on windfall wealth drawn from the bounty of nature, yet it must be apparent to all but the blindly heedless that the day of windfall wealth, at least here in the United States, is fast drawing to its close. We cannot count on another 1849 gold strike up Sutter's Creek or another Klondike, nor another Mesabi Range to be revealed by the wavering of a surveyor's compass, nor another vast coal basin like that of these middle eastern states, nor many more such fabulous pools of gas and oil as those which have multiplied the millioniare population of Oklahoma and Texas. The prospector has moved in off the range and become the man of research in our laboratories of science. He it is who forges in our day the chief weapons of competition and survival for industries and for nations alike. In his hands and the hands of men of genius in management, rather than in the hands of labor leaders who must force artificial wage increases to perpetuate themselves in power, lies the hope of the world's workers for a more abundant life.

Can peace in industry be found only at the end of a long and bitter economic war which would be vitally certain to end in a totalitarian state almost nobody wants? Peace by appeasement is all too plainly a ghastly illusion. The Wagner Act seems to aim at peace by balance of power, and those who administer it appear to take for granted that nothing better than a perpetual armed truce is possible. The theory that conflict is inescapable but can be kept fair by official rule-book and a political referee is now seemingly shattered beyond repair. There seems to be little left to try but the path of reconciliation within industry itself.

The nation at this juncture is sorely in need of leaders who can see its economy and its international obligations whole, and not as partisans of labor, or
ownership, or agriculture or regional units or political blocs. Industry likewise needs a new leadership that can recreate a sense of common cause between investors, workers, consumers, and citizens-at-large. When industry is run for the benefit of one, only one, and anyone of these four parties at interest, it is heading for trouble, and you spell it with a big T. I believe the hope of finding a reconciling leadership for industry lies in the essential quality of trusteeship which is embodied in professional life and service. The ideal of management as a realm of professional service is not entirely new, although the Harvard Graduate School of Business where your President Bevis served with such distinction has written over its doors the slogan "Business, the oldest of the trades and the newest of the professions." Among the professions, I believe that engineers as the dominant professional group already strongly established in industry, have a unique contribution to make. We whose business is the training of engineers may have been too intent on making them expert in multiplying rather than dividing the fruits of progress. A month or two ago I had a job to do for General Motors in Flint. Afterwards, a party of us gathered in the home of a top executive. There I had a significant chat with the Executive Vice President of the parent corporation. Having a hand about a room filled with other vice presidents and top division executives, he said "Where are we going to get the sort of executives who can handle the sort of problems we are now up against. You could hunt this country and perhaps the world over and you couldn't collect a better group of experts on technical production than the men right here in this room, but what we have to handle now are mostly problems in human relations." Continuing, we discussed the two great problems in industry today - how to get workers to put their hearts back into their work, and how to get men interested in making everybody's dollars worth more instead of trying to grab off more of them at the expense of someone else.

Men will not put their hearts into their work without hope of reward. This may take the form of personal gain, but I ask you - is this the most powerful incentive? As students, would hope of gain induce you to endure the labors and pains of football? Would any of you veterans again accept the risks of combat for personal gain? I think not. When you get a man's spirit really aroused, the thing that seems to matter supremely, that immensely outweighs the incentive of gain is the sense of sharing in a common cause.

That is the thing - this sense of common cause - that our generation will have to bring back into the world of work, if free institutions are to survive. We will have to bring it back into the world of international relations, if civilization is to survive. Elton Mayo, profound student of human nature and industrial morale and one of Dr. Bevis's former colleagues at Harvard, has recently written these challenging words:

"It is not the atomic bomb that will destroy civilization. But civilized society can destroy itself - finally, no doubt with bombs - if it fails to understand intelligently and to control the aids and deterrents to cooperation."

The art of collaboration - that, I believe, is the most important thing a student can learn in life or in college today.