

INTERNATIONAL BUSINESS- GOVERNMENT RELATIONS

AN ADDRESS BY

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The following is a Keynote Address delivered by Dr. Charles Malik at the Second Series of The American University Lectures in Business-Government Relations in Washington, D.C. on April 1, 1968.

If, as Messrs. Brown, Connor and Gray argued rather conclusively last year, business and government have, both nationally and internationally, evolved now a close and working relationship between them, and if a nation's effective position in the world consists primarily in how its business and its government, both severally and jointly, bear upon the rest of the world, then clearly the title "International Business-Government Relations" means simply the place of America in the world today. On the details of the government's multifarious relations to other peoples and nations I know little; on the details of the relations of American business in the international field I know even less; but on the general and basic question of the place and meaning of America, as a people and a nation and a culture and a civilization and a spirit, in the world today, I have pondered for years.

Dean Brown, in his opening address last year, put forward the thesis that the ideology of the last century whereby business and government were conceived as essentially two independent realms has now faded away. "We have moved rapidly to what might be called a mixed system... It is not a matter of socialism or capitalism. We have already progressed beyond both of them to something that is more sophisticated than either of them." Owing to "the nature and number of the tasks" undertaken by both agencies, business and government have been led to recognize a wide area of "common purposes" and objectives between them and to develop similar "procedures and approaches" in their structured modification. Domestically, business, through a variety of devices, including self-imposed controls, is helping government in the maintenance of economic stability, and government, "as a major purchaser of goods and services," contributes to the same end. Moreover, government is compelled to a perpetual re-appraisal and revision of "its regulatory agencies, legislation and administrative rulings" with respect to free competition; and not only is government entering more and more into the field of education, at the federal, state and municipal levels, but, due to the exigencies of defense and for other reasons, government has steadily invaded the domain of producing goods and services itself—usually in close collaboration with private business—as witness the projects of the Atomic Energy Commission, the National Aeronautical and Space Administration and the Communications Satellite Corporation, and the development of the supersonic transport plane. Internationally, Dean Brown observes, business has been massively enlisted by government in the formidable tasks of development abroad, as the necessary "technical and administrative skills, organizing ability, training

experience, and marketing capabilities” are best provided by business and not by government. Government also benevolently oversees and blesses business’s attempts at reopening the frontiers between the communist and the non-communist realms, and at establishing multinational corporations which hold out enormous possibilities for good for the future of international relations. Finally, the profit motive is found creeping more and more into governmental business operations, and public spiritedness and social responsibility are found more and more pervading the motivation and the actual planning of men of business. And so, Dean Brown concludes, all this development and adaptation of social-economic-political ideology has been made possible because America has “a great and an adaptable society inherited from the founders of this nation.”

Secretary Connor reinforces many of the conclusions of Dean Brown. He points out that “it is nothing short of incredible that anyone should consider business and government as adversaries on any broad front.” He underlines the fact that “one of President Johnson’s towering achievements has been to bring business, and labor as well, into active creative partnership with government by fostering and maintaining an active national dialogue for the common good of the country. “ There are more than thirty groups in Washington advising the government on business and labor conditions, and on the government’s relations to them; these groups include the Business Council, the President’s Advisory Committee on Labor-Management Policy, and the Business Leadership Advisory Council of the Office of Economic Opportunity. Examples of business-government joint efforts in the domestic field include the voluntary balance of payments program, the vast government contracts for defense, the space program, the increase of American exports by 47 percent in six years, programs for fighting poverty, providing jobs, training manpower, developing transportations, and “the great and growing bridge between business and government” provided by science and technology into whose development more than 100 billion dollars were invested in 20 years. Overseas investment has demonstrated that “profit is the instrument of progress. “This investment has included the discovery and extraction of mineral resources, the establishment of automobile assembly and soft drink bottling plants, the 150 projects of the International Executive Service Corps, lower income housing in South America, the construction of desalting plants in the Middle East, and a whole host of other projects. In the international field, Secretary Connor observes, “business in a great many circumstances is in a far better position than the government to act directly and energetically to achieve economic growth. “Moreover, in the nature of the case government projects are and have to be self-liquidating, whereas the enterprises of business abroad, to be embarked on in the first place, must have promise of continuing and ramifying on and on. As for the future, Secretary Connor appears certain that business is destined to increasing participation in what he calls

“public problem solving,” in such fields as education, training, employment, housing, slums, waste disposal, air and water pollution, etc., and he asks the searching question whether, contrary to the expectations of some, “competitive enterprise, oriented to new types of needs, will (not) assume a greater and greater role in areas that current opinion might look upon purely as functions of government. In this way, he concludes, America’s principal contribution to mankind would be “the glorious poetry of human progress.”

Mr. Gray’s speech, simple and direct, amounted to an impressive and refreshing encomium of the American free enterprise system. The secret of America’s greatness is the productive capacity of its people. This is another term simply for business which “organizes the energies and resources of our land and our people.” It is the competitive economy of America that produces the wealth on which “our present-day blessings, our solid social institutions, our superb material wherewithal, our unmatched schools and universities, all our genuinely cultural pursuits, and, most importantly, the prerequisite of all of these, even our stable government, “ depend. The Russians are now copying this system step by step. The function of government is only to “set the general ground rules for the competitive system in a form that would unleash the national skills and drive of our citizens and to keep these rules in tune with changing technologies on the one hand and rising expectations of our people on the other. “ This requires of course “a constant dialogue and effective working relationship” between business and government. The fundamental philosophical presupposition of the whole system is faith in the good common sense of the people. This means that the public, man in his private judgment and decision, can best police and regulate and determine both the kind and fate of government and the kind of fate of business. There are thus two simple checks on business, both quite independent of any government: the judgment of the public and the requirements of efficiency—”no sale, no business; no efficiency, no business, “Innovation is the secret of success of American business: something like 50 percent of the products of the more successful companies were not in existence ten years before. The patent system undergirds this basic impulse at innovation. Thus the most important thing a businessman can do is “to run a prosperous shop” - that is his unique contribution to his government and his people. This he can accomplish thanks to the inalienable American respect for the freedom and independence of the individual. America’s success, then, is grounded in the original zest and incentive of man, which are the outcome at once of the institution of private property and the system of free competition under just laws. This is why “the policies and arithmetic of the welfare administration actually give an incentive for a man to stop working or even to desert his family.” “Inequality between legal equals, laced as it is with racial feelings,” “the widening spread between the advantaged and disadvantaged”—these are the two most critical problems facing America today, for the solution of which “the best brains this country can muster” should be enlisted. Finally, the best arena for business-government collaboration

is the local, community scene, and so, Mr. Gray concludes, “while you are waiting for a call to national service, don’t overlook the opportunities and the crying need all around you for more effective cooperation between business and government at the local level in your home community.”



The place of labor in business-government relations whether national or international requires further discussion. It is a source of justified pride for the American system that labor under conditions of free intercourse with management, punctuated to be sure by tensions and crises, has nevertheless over the years attained the eminence and power and sense of independence and dignity it now enjoys. By and large, the standard of living of American labor is by far the highest of any labor force in the world. Labor is superbly organized and often imposes its will, both upon business and government. All this has been attained without social upheaval and without overturning the fundamental values of man, God and freedom in American civilization. The American achievement proves historically and for all to see and note that the rights of labor, manifestly infringed in the past, can be sought and asserted without radical revolution, and that these rights are not incompatible with the great traditional values of freedom to which America owes virtually everything. Proletarianism as a total philosophy and spirit is not then the only vehicle, nor even a necessary vehicle, for the realization of economic and social justice. Justice and freedom are compatible, and for justice to be embodied historically and politically and institutionally there is no need for the dictatorship of the proletariat, America in its world stance has not capitalized enough on the significance of its accomplishment in the field of labor. One may here further note that America for quite accidental reasons has been unnecessarily coy and bashful before the world concerning many positive aspects of its great national experience.

The achievement in the field of labor is solid and permanent. But man alas remains man under all circumstances. Man may overreach himself in the assertion and exercise of his rights. Is it not true that the Clayton Act, whereby labor is exempted from any prosecution for interference with interstate or foreign commerce, grants labor privileges of not being treated either as monopolistic or as affecting adversely in its interference the over-all national interests? Let these acts, however, be done in collusion with business, and then labor becomes immediately punishable. The implication that labor has a right here which is denied to business appears to me to be unjust. I have a high respect for the Supreme Court of the United States, but, I think, the Court should find a way of declaring that this is unequal protection of the laws. There should be no discrimination against one factor of production

in favor of the other. The values of foresight, planning, organizing, innovating, risk-taking, accumulating capital, conserving the past, are every bit as important as the values of actual working and producing. In fact the latter values are impossible without the former.

Nor is the danger of inflation a simple matter. The reversal of power in the present roles of labor and business is such that business is no longer able to bargain on anything even approaching equal terms. Business goes to the bargaining table at least partially licked in advance: the dice are already loaded against it. The resulting enforced inflation of costs will obviously have to be reflected in prices, and so the wage-cost spiral starts, And if, as certain figures produced by the National Industrial Conference Board demonstrate, the most important single development in American society in recent years has not been the increase in the labor contingent, nor the increase in the number of people strictly engaged in business, but the relatively vast increase in the number of men and women supplying services of all kinds, then inflation is not in the best interests of the nation as a whole, even if business and labor between them can see to it that it does not affect them much. The truth of the matter is that government by its very nature is well organized and protected, labor is well organized and protected, business as a class is not as well organized and protected, and the largest single segment of society—the service segment—is not organized at all and therefore not adequately protected, The government is the only agency which can and should in business-labor disputes protect this segment against inflation. The advantages of productivity should go first into innovation, into qualitative improvement, into making superior products, into the perfection of craftsmanship, so as to pass them on in this form to the consumer, rather than merely have them shared by management and labor, with labor taking the lion's hare without any possible challenge. Not only business, therefore, but the public at large expect the government to “hold the ring, to be an impartial umpire, in business-labor relations, and thus to serve as a truly regulatory agency with the interest of the whole in mind, A free economy under modern conditions cannot be left to the mercy of the mere play of the market, or to what is no market at all—the coercive power of both the political and economic pressure of labor combined, As the supreme guardian of freedom the government should see to it that the free economy remain genuinely free,

In one sense, it would appear that the most important problem that business is confronted with in dealing with government and government. is confronted with in dealing with business, is that neither of them is able to deal on equal terms with labor. Unlike England, labor in America does not have a political party which brings it to direct political responsibility; it does not concentrate on assuming full power for the whole nation. Such concentration would tend to curb labor's special interests because, as responsible government, labor would have then to combine its interests with those of the public, unless it considers itself to be the whole of

the public, which of course is not true. The Prime Minister of any foreign labor party like Britain's is bound, for instance, to consider the whole foreign policy and the standing of England in its gold position and in the devaluation of the pound, as Wilson recently proved with rather sad conclusiveness. He ruled against higher wages; he cut out spending in every way, even to the extent of drastically contracting the posture of Britain in matters of defense all over the world, creating thereby enormous geopolitical problems which the United States must now wrestle with, I am not here concerned to argue for or against Mr. Wilson's policies; I am only saying that a labor party, as in England, which seeks office thinks and acts nationally when it is in office; whereas the organized labor of the United States does not have the opportunity of thinking nationally, or of thinking nationally in the first instance, because it does not, as labor, seek and exercise national responsibility.

The exercise of economic and political pressure without the opportunity of national political responsibility is facilitated by the character of the American electoral system. There is no need to go into the minutiae of this system; it is sufficient to observe that labor can so throw its weight in American elections—especially in the off-years between presidential elections when people generally vote their dislikes, their disgruntlements, their special interests, without regard to the large national issues which come up for debate and decision only in presidential elections—as to knock out of Congress all those who do not cater to its own special interests. In this way labor is able to exert a far greater power and control over both parties in the United States than labor has over politics as a labor party in England, even when it wins a general election. For in Britain labor has to stand for office on its total record and on its protection of Britain's basic national interests. Professor William Elliott forecast this development in America as early as 1935 in his book on *The Need for Constitutional Reform* in which he put forward a number of proposals to introduce greater justice and balance and responsibility in the workings of the American electoral system.

The position of the executive is also seriously affected by the labor situation. The President at once leads his party in shaping its program and politics and leads the nation. Party politics requires that the President seek and maintain the backing of the great groups in the nation who pour their votes into the elections. There is therefore a built-in compulsion upon him to please labor at the expense of business if that enables him to command the national elections. Both parties do what they can to woo labor towards that end, and here again business by the sheer weight of votes and independently of any questions of party platforms and social justice finds itself at a disadvantage. President John F. Kennedy, elected by a narrow margin, deliberately ran the risk of alienating the business community by trying to build up quite clearly his power beyond the narrow mandate which he had won. He broke his connections with business to so serious a degree that the Business Council, set up under President

Roosevelt, was abolished as an advisory group to the Secretary of Commerce and lost its official standing as advising the government, and thus became a sort of disowned stepchild if not an outlaw. The thing soon backfired against Mr. Kennedy who had, as president, to keep the economic health of the nation as a whole in mind; later he recognized his mistake and made overtures to the Business Advisory Council and gradually discovered that his problems were very much eased by his changed attitude. But it was not until Mr. Johnson succeeded Mr. Kennedy in the presidency that the balance was restored by bringing business back into the councils of the President in a way that made them feel that they were being taken into account and their advice sought. This achievement of President Johnson was particularly underscored, as we saw, by Secretary Connor in his presentation last year. This did not prevent Mr. Johnson from maintaining close relations with labor, as is evidenced, among other things, by the support labor gave him for his Vietnam policies. But his broad attitude won the confidence of business and made them feel that he was trying to take into account their problems by seeing that the tax policies were not ill-timed and punitive, and that the management of the economy was on the whole one that endeavored to balance the system and to prevent the inflationary effects of overspending.

As a result, there was now a far more relaxed and friendly and cooperative attitude towards President Johnson on the part of business. They were willing to accept many of his proposals—for example, in the field of civil rights and liberties. Partly from self-interest, partly from a genuine sense of responsibility for the nation, they were eager to help Washington in the thirty or more consultative bodies that functioned in the capital. The rivalries that are natural in seeking to get government contracts have not corrupted or undermined business's concern to see a good job done by the government and to see, as an essential element of that mutual trust, that a good job is also done by business. There is far less resistance to searching inquiries either by Congress or by the Executive or to tighter policing of existing contractual relationships. And it is fascinating to perceive the complete shift in the attitude of the National Manufacturers Association from being a purely defensive organization and entirely critical of government to trying to assume a very responsible role in enlightening opinion, and especially in educating business to take its proper part in the tasks of citizenship training, such as the training and poverty programs and the diverse projects connected with the Office of Economic Opportunity. The same is true of the Chamber of Commerce which is perhaps even more representative of the business community than the Manufacturers Association; here too we observe that business of every denomination—distributors, wholesalers, retailers, service industries, etc.—in their enunciations of policy and in their general public attitude have been very different in their willingness to go farther in supporting government's proper responsibilities in the economic order.

We witnessed, then an impressive maturation of the cohesive unity of the American nation. Dean Brown has spoken last year of a “mixed system.” The emerging system is more than just “mixed”: it is an organism with its proper unity and spirit. Destructive hostility and mutual suspicion between government and business are disappearing; there is creative, eager, organic cooperation and interaction. The sense of being American and of being responsible first to America as such is growing. Both internal and external pressures in this exceedingly dangerous and complex world enhance national consciousness and allegiance to the nation as a whole with all its values and meanings. This sense of belonging to and participating in and creating for the national community fosters the deepest warmth and zest and sense of purpose. Diversity of functions and multiplicity of operations and plurality of administrations are recognized as each having its proper autonomy and validity and as all falling within the same unity of spirit. Nothing is more crucial in the consideration of the topic International Business-Government Relations. For it is supremely important that America presents itself abroad as one and not as many, as standing for something coherent, definite and intelligible, and not as split up into conflicting interests and warring factions. The quarrel between President Kennedy and Roger Blough, regardless of the assignment of fault, was not exactly calculated to enhance the American “image” abroad. When in this tightly knit world in which everybody is closely watching everybody else the “image” cast abroad is often blurred and indistinct, let Americans then worry, not about the “image,” but about whether there is enough unity and wholeness and integrity in the original. It is for this reason that recent developments in business-government relations are most encouraging.

The Presidency in the American system is the most important institution. Everything depends on the White House. The President leads and sets the entire moral tone of the nation. The deepened national consciousness can therefore look for its embodiment only in the President. He is not only the symbol of the national will—he is its actual incarnation and instrument. As such, the President to the outside world is America, and America is much more than either business or labor or any particular interest. He is the President of every American and every sector of the national economy. It is perfectly understandable that the attitude of the President towards business is colored and determined by all sorts of pressures that he feels he must take into account to win an election. But business has every right to expect the President, once in office, to be more than a partisan, or at least much more than a partisan of a narrow type. He is the Leader of the Nation as a whole, exactly as in wartime—and regardless of this or that war, life from now on is a permanent state of war in a dozen senses of the term. What is at stake in America and the world today is not the interests of the Democratic Party or the interests of the Republican Party or the interests of any special group of Americans, but the fundamental living values of freedom, truth, man and God.

He is not living in this world, he does not know what is happening, he is somehow blinded and confused, who does not see this point with absolute clarity. Nothing, nothing is more needed today than to transcend every partisan consideration and rise to the level of the unity of the Nation, and lead from that level and that perspective, to the end that both the World and America know again America's fundamental essence—a nation and a people founded on freedom, sustained by truth, dedicated to man, and grounded in God—the God who is at once above freedom, above truth, and above man,



There are two institutions which play an important role in determining business-government relations and therefore the place of America in the World: the media of mass information and the institution of advertising, otherwise graphically denominated “Madison Avenue.” Under the information media I include the newspapers, the magazines, the radio, television, the cinema, all wire and cable and radio agencies, and a good deal of paperback material, in short, every spoken or printed word and every pictorial representation, whether live or on paper, which is intended, not for the elite or for the specialist, but for the masses of the people at large.

Between regimented and controlled mass media and free and uncontrolled mass media, I immediately prefer the latter. No agency, certainly no party and no government, is so omniscient in its wisdom as to have the right to claim a monopoly of the truth. Free information with all its anarchic dangers and possible venalities is infinitely to be preferred to information issuing from one source and answering slavishly to one point of view. The corruptions of freedom cancel themselves out in the long run, and in a free society, no matter how much they may soften up and undermine public morals, the public will sooner or later take up arms against them. At least this is one of the basic articles of faith of freedom.

This does not mean that one should not bring out the pitfalls and seductions of freedom, and do what one can to guard against them. No man, whether living in a free or a regimented society, is immune against corruption and the fall.

The people who reign in the communications world, including the various polls, appear at times to be talking ex cathedra. They think they are the rulers and determiners of the fate and cultural tone of the country. Indeed they are, if business and government do not severally and jointly do something about this question. Their accounts are often slanted and biased, and the public as a result are pitifully confused if not positively misled. The repetition of their slogans creates a mass culture of extraordinary uniformity. The Russians are often accused

of parroting “the party line”; there is a very clear “party line” in America, created, not by a party or by the government, but by the conditioning of the mass media. I sometimes find more refreshing variety of opinion in talking with Russians than in talking with Americans. When American travelers abroad are asked their opinion on important national or international subjects it is remarkable how much they—from presidents of great corporations and universities to the humblest American tourist—repeat exactly the same clichés in exactly the same words. I can witness to a dozen such amusing experiences, concerning Vietnam, de Gaulle, the Middle East, the assassination of President Kennedy, the candidates for the Presidency, and other matters. It could be that there are so many important things happening that these essentially good and well-meaning men, engaged as they are in a multitude of responsible pursuits, simply do not have the time to go deeply into any question and form their own independent opinion thereon, and so they live on slogans and headlines. But it is precisely for this reason that the responsible leadership, in business, in government and in thought, must do something to protect the soul of the people against falsehood, bias, superficiality, tendentiousness, and sheer “cuteness.”

A tendency to make fun of free business and free government alike has crept into the mass media. The sarcasm and cynicism, often subtle, sometimes crude, with which free institutions are treated is most disturbing. One wonders where these commentators and reporters got their philosophies from and whose interests they really serve. As soon as one expresses this wonder in perfect innocence and ventures the opinion that they do not represent the deepest and best in American culture and history, one is charged with resuscitating the spirit of the late Senator Joseph McCarthy and with supporting the investigations of certain committees dealing with “un-American activities”; and so one is forthwith morally intimidated and silenced. But there is a real problem here above every silly moral intimidation. The ineffable arrogance of the Fourth Estate must be faced by both business and government. Both of them are subject to its attacks, both of them are under danger of being dictated to or at least pressured by it. The purveyors and determiners of opinion cannot self-righteously preach the men who are carrying the real burden of political and economic responsibility. Nothing is deeper or finer or more manly and just than to respect men in their diverse stations and responsibilities. If you are not yourself in the saddle, at least respect those who are. And if you think you know in advance how you will behave if you are in the saddle yourself, then you know nothing of the poignancy of existence and being. It is only the sophist who thinks he knows everything and can apportion to every man his role and his obligations.

America is judged abroad not only by the policies of its government and the products of its business, but by the words and pictures and ideas which it exports. There is vast

injustice perpetrated against America by harping all the time only on its problems and social tensions, The loving critic is one thing, the destructive critic is another, and the spirit of the latter cannot be long concealed. Life is not only sex and violence and greed and social discrimination; there is also and in the first instance decency, cleanness, justice, fairness, order, peace, respect, confidence, generosity, creativity, self-control. These abound in America, even if because American character hates ostentation Americans are disinclined to talk about them. Fortunately there are excellent media which are the envy of the world. Some American movies are sheer delight and some educate and uplift the soul. If beauty and truth and man and the deepest spirit impregnate Hollywood contribute and American television, then between them they can contribute in transforming the world. It is all then a matter of character and fundamental philosophical outlook on the part of the commentators and producers, and the agencies that create these—the home, the school, the church—are first responsible for their salvation. I believe no problem facing business and government, and indeed the whole American nation, is as urgent and more crucial as that of introducing restraint and responsibility and humanity and depth and balance into the news and artistic media. For the sake of their own vigor in their independent realms, for the sake of the quality of life and thought of the American people, and for the sake of the fair name of America abroad, business and government must turn their attention on an urgent basis to tackling this problem.

Advertising is a legitimate and necessary pursuit in a free economy. By letting in this way products and services compete fairly before the attention of consumers, market demand is stimulated. It is a pleasure to study and contemplate certain advertisements, both as to their educational value and their aesthetic appeal. But the bombardment is incessant, heartless and often ill-timed. You turn on the radio or television to listen to an important program in which you are interested, say, the news of a war or a statement by the president, and you always turn it on a minute or so before the announced time to make sure that you miss nothing at the beginning; during these few seconds before the program you are invariably treated to an advertisement of some product that has absolutely nothing to do with what follows. The same thing happens when as you turn the page of a serious article you are reading the picture of a soup or a chewing gum suddenly leaps into your eyes, or when as you are driving in the peace of the country and you contemplate the transcendent beauty of the forests or of the sunset across the river a wholly incongruous contraption about some automobile or some liquor pops up before your face. The last thing in the world you want to be reminded of then is these things, and yet they are forced on your attention. Your soul is jarred and raped, your mind is compelled to turn to something utterly irrelevant. This is unfair taking advantage of the seriousness of man. It breaks up the soul, it distracts the mind, it kills the sense of continuity and coherence in things. Much of the distractedness

and instability that obtain have as their root cause the pervasiveness all around of this harsh inopportuneness of irrelevant advertising. The wholeness of the soul of man must be protected above the promptings of his appetites and desires, above the intrusion at their will of alien elements, and certainly above the cupidity of the salesman. Whole strands of time enjoying a certain grace and unity of the spirit must not be broken into like this by brutal advertising. Products have every right to compete with one another in their own place and time and under fair rules, but they have no right to undermine the integrity of the soul of man. They are for the sake of man, and not man for their sake; and so they may not tyrannize over his soul. And these ceaseless pamphlets and notices and advertisements which flood your mail—who has the time to open them, let alone sit down and read them? It is a marvel that they continue assailing you, but apparently some people read them as their senders do not consider the exercise of sending them a total waste. “Madison Avenue” must have pity, then, on the soul of man and on the whole tone of culture. Man is very fragile, and the manipulation of his psychology purely for the realm of means is at once unworthy and degrading—degrading both man and those who manipulate him. There are tremendous spiritual ends beyond all these means which all advertising, all psychological conditioning, and everything connected with Hollywood and “Madison Avenue” can rightfully subserve.

Business often does not appear to control certain programs which it sponsors. On the contrary, the men of business seem to be quite relaxed about putting these programs in the hands of people who have extremely different views about the nature of business, and entertain critical and sometimes even subversive ideas about the nature of government. This is something deeply rooted in the intellectual malaise that the academic community exhibits at this time. We witness a general tone of opposition to traditional authority, and a wild desire to strike out on new lines, not because these lines have proven themselves, but simply because they depart from and often contradict the great tried and tested values of the past. And these proposals are discredited in advance because they do not come from sources that are willing to accept responsibility for the constructive side of the community. They spin out their theories without deigning to expose themselves to the smears and Hazards and burdens of actual responsibility. The hostility and rebelliousness of the intellectuals of the Left is a phenomenon to be deeply pondered. It merits a grounded moral-philosophical-existential-historical analysis. Are we dealing with an ineluctable force? Has a spirit been unleashed that cannot be contained? The sufferings and visions and achievements and certainties of past ages—do they have validity and meaning only for them? Nothing, nothing of their findings and affirmations are valid for us today? The new spirit, the world revolution—what is it in the end of ends really aiming at? The predicament of freedom is always how much and how far freedom can tolerate that which, if it succeeds, would destroy freedom itself, and it

could well be that business, worshiping only itself, has displayed great blindness towards one of the most important sides of what, not just government, but the entire cultural character of America is turning into—something which government can decisively control and set the tone to, but which, if government should give the rein to its permissive attitude beyond a certain point, could easily turn into something so anarchic that it would breed its exact counterpart—totalitarianism of one form or another, whether of the fascist or the communist stripe.

IV

The development of the underdeveloped is increasingly determined by, and increasingly determines, the relations between business and government. The whole notion of development began to take firm shape in the international field at the San Francisco Conference in 1945, when some of us who took part in that historic parley read clearly the writing on the wall concerning the impending inevitable dissolution of the colonial system throughout the world. For many reasons World War II meant, among other things, that the peoples of Asia, Africa and the Middle East were destined soon to take their own affairs in their own hands, but when this happened some of us unmistakably perceived that the real problems of these lands would begin just then. The demise of colonialism could not mean the end of the essential dependence of the dependent peoples on others. What we expected to happen was the liquidation of the old system whereby peoples were ruled by others, and as such were considered, both by their rulers and sometimes even by themselves, as juridically and politically and internationally and morally and humanly inferior to those who held dominion over them. That was one reason why we resisted the use of the term “backward” in the Charter of the United Nations and why finally the terminology of development was adopted. This liquidation has now been consummated by virtually all peoples and all nations all over the world becoming independent and joining the United Nations, and by the attribution of “sovereign equality” to all nations members of that Organization. The juridical expression of the principle of “sovereign equality” at the United Nations is the fact that every member, from the largest to the smallest, is vested with the right to cast but one vote in all organs of the world body of which it is a member. This had of course to be modulated by the veto power in the Security Council agreed upon at Yalta, since the Security Council was by Article 24 of the Charter entrusted with “primary responsibility for the maintenance of international peace and security,” and since without this power neither the United States nor the Soviet Union would have accepted to join the United Nations. But the fact that the United Nations “is based on the principle of the sovereign equality of all its Members” (Article 2.1) consecrates the independence and liberation of all peoples from colonial rule;

and to make this point doubly clear it was repeated in Article 78 for which the Delegation of Lebanon was partly responsible. Independence and self-determination are fundamental American notions, and so we may say that what we are witnessing in this era is the triumph on a world scale of the principles of 1776 and the ideas of President Wilson. But from the very beginning some of us saw that, wonderful and inevitable as the whole movement of independence was, the essential dependence of the newly independent on the older nations that were more advanced and developed and formed, would not then cease. It was only a question of replacing the old crude and unjust system of relationships between peoples by a new one based on freedom and self-determination, on juridical and moral equality, on self-dignity and mutual respect, and on the new nations entering into the new system of relationships in perfect freedom and entirely out of their own accord, and without any possibility of exploitation of the weak and helpless by the dominant and strong. The basic political, social, economic, and intellectual inequalities remain; the only question was how to help the newly independent nations overcome them in as far as possible and under conditions of justice and freedom. And from the very beginning, as was soon to become apparent from President Truman's Point Four program of 1949, America felt that, at the very moment of the spectacular success of its fundamental principle all over the world, it could not and it would not shrink from drawing the correct conclusions: that the emerging independent world—what has since been termed the Third World—could not in fairness and humanity be left to its own devices, but that it was incumbent especially upon America, since the new world was in part the product of its own ideas, to come to its assistance in every possible way. If independence should fail, then America's fundamental conviction would have failed.

What is new is not development as such, because all nations have been somehow developing; nor therefore is it true to speak of the developing and the developed nations, because the developed are also developing, and some even more so than those to whom the term is supposed to apply, and some nations that are developing in certain respects are in other respects more developed than others. What is correct is to conceive, as W. W. Rostow has shown, of stages of development and to assign different nations to diverge points on that continuum. The development of the emergent nations is now in the last analysis subject to their own will and determination, so that what is new about them is the phenomenon of self-development and not of development as such. It is fascinating to work out in leisurely detachment the development of the notion of development at the United Nations; this is a worth-while topic for research. At a very early stage a text was put forward which spoke of development "in" the dependent and non-self-governing territories; whereupon I objected and suggested that "in" be replaced by "of". The debate of the relative merits of "in" and "of,"

with, as I recall, the representative of the United Kingdom, must have lasted one hour, during which I argued that a development “in” a territory could be undertaken even by its colonizers and exploiters, and we wanted decisively to get away from that, whereas the development “of” a territory can only mean development of that territory by its own people, which is exactly what we wanted to see happen. I need hardly add that “of” prevailed over “in,” but little did I realize at the time that that little prepositional engagement symbolized and heralded the new age.

Then later in December, 1946 I had the honor of presenting to the General Assembly of the United Nations two proposals, which were both adopted after some modifications, one on the translation and publication of the classics in the languages of the member nations, and the other on the establishment of effective ways and means for providing advice and assistance to the less developed countries. The first became the basis for UNESCO’s program for the translation of the classics, which has been under execution since then, and the second was the very first decision by the General Assembly in the field of assistance to the emerging independent world.

On economic and technical development I argued as follows on December 6, 1946 before a joint meeting of Committees 2 and 3 of the General Assembly:

“Left to themselves, the development of the less developed countries will be exceedingly slow. Such slow development is dangerous from the point of view of peace and security, especially in the present conditions of the world where ideas and things can move SO quickly from one place or people to another... From the point of view of its supreme purpose, the United Nations cannot afford to let less developed nations drag on in their underdevelopment. Therefore, entirely apart from the individual interest of each one of these countries, it is in the interest of peace that they become strong and developed... The United Nations, by its very exalted position, can render assistance without endangering independence. If effective ways and means are created for rendering assistance to individual countries, and if in time a solid tradition of excellence and disinterestedness is built up, the United Nations will become the supreme dispenser of help to those who ask for it. And there is no doubt that the individual countries will prefer such help to bilateral arrangements... The problem that poses itself in this age of the United Nations is how to assist the needy without compromising his freedom and personality. No encroachment on sovereignty whatsoever must be contemplated or allowed, and yet association within the United Nations must be so full of trust that the United Nations itself can take the initiative in suggesting plans and schemes of development...”

On the problem of the translation of the classics I urged the following on December 5, 1946 before Committee 3 of the General Assembly:

“There are deeper facts, much deeper facts, which lie at the bottom of these other superficial facts. It is a fact that the peoples of the world occupy differing stages of cultural and intellectual attainment. This fact in the end determines war and peace far more radically than armies and weapons and economic exploitation... For just as there are economically less developed areas, so there are intellectually and spiritually less developed peoples. And it is because they are culturally undeveloped that their countries are materially backward, presenting passive temptations for exploitation... There is plenty of material injustice in the world, but intellectual and spiritual injustice is infinitely more significant. There is inherent injustice so long as the great literature which is available, for instance, to American youth is entirely out of proportion to that which is available to the youth of other parts of the world... There is a great tradition of human thought and sentiment which is known and participated in by only a fraction of humanity. This is quite unfair. To have some peoples and nations enjoy the infinite riches of the mind while the rest of humanity wallow in darkness and error is an act of injustice of the first order... There can be no peace, there certainly can be no real justice, so long as the goods of the mind and spirit are abundant in some countries and miserably deficient in others; so long as the great classics of human thought and feeling, from Plato to the present day, have penetrated and transformed the life and literature and outlook of certain countries and are totally unheard of in others; so long as the supreme persons of history belong to the living tradition of certain countries and are absent from others... The ultimate ground of peace is participation in a community of generic ideas. Such a community can be culled from the great classics of the past. If the creation and dissemination of this community of basic ideas is promoted by the United Nations in perfect good will and wisdom, it will be one of the most potent agencies for the creation of an enduring peace... To be sure, there can be no peace so long as people are physically starving, so long as the material goods of the world are unjustly distributed between classes and peoples. But there is a deeper starvation, a deeper injustice. The goods of the mind and spirit are themselves unequally and unjustly distributed throughout the world...”

Since those early days the problem of development has taken on almost cosmic proportions. For nineteen years now, ever since President Truman's Point Four, every president of the United States has affirmed, whether in his inaugural address or in his annual State of the Union or Economic Messages to Congress, that foreign aid is a basic cornerstone in United States national policy. Only last January President Johnson stated in his State of the Union Message:

“For two decades America has committed itself against the tyranny of want and ignorance that threatens the peace. We shall sustain that commitment. This year I will propose that we launch, with other nations, an exploration of the ocean depths to tap its wealth, energy, and abundance; that we contribute our fair share to a major expansion of the International Development Association, and to increase the resources of the Asian Development Bank; that we adopt a prudent aid program, rooted in the principle of self-help; that we renew and extend the Food for Freedom program.”

Multilateral capital aid to newly developing countries between 1954 and 1961 amounted to 1 billion 817 million dollars, of which 1 billion 270 million dollars came from the World Bank alone. Multilateral technical assistance for 1960 alone amounted to 32.3 million dollars, of which 8.4 million dollars came from the Food and Agriculture Organization, 7.3 million dollars from United Nations Technical Assistance, 5.5 million dollars from the World Health Organization, 4.9 million dollars from UNESCO, and 3.2 million dollars from the International Labor Organization. Bilateral economic aid to newly developing countries for 1954 to 1959 amounted, in grants and loans combined, to 13 billion 537 million dollars, of which 7 billion 476 million dollars came from the United States, 4 billion 117 million dollars from France, 869 million dollars from the United Kingdom, and 244 million dollars from Canada. The net flow of private capital to newly developing countries for 1956 to 1959 amounted to 11 billion 273 million dollars, of which 4 billion 639 million dollars came from the United States, 1 billion 998 million dollars from the United Kingdom, 1 billion 622 million dollars from France, and 1 billion 86 million dollars from West Germany. The technical and economic assistance programs of the communist bloc have been on a much smaller scale, but they have been increasing lately. The figures given above are intended only to exhibit the order of magnitude of the international outlay in the new order of relations between the “have’s” and the “have not’s.”

The literature on the subject of development has mounted during the last two decades to thousands of books, pamphlets, studies, reports, essays, articles, analyses, proposals, evaluations, of varying degrees of relevance, depth and authenticity. A whole new discipline has arisen, with its principles and technical terminology. I wish to call attention here only to the works of Rostow, Galbraith, Prebisch, Father Lebrét, Heilbroner, Barbara Ward, and Myrdal (especially to the enormous study which Myrdal conducted under the auspices of the Twentieth Century Fund and which appeared early in 1968 under the title *Asian Drama: An Inquiry into the Poverty of Nations*), to the proceedings of innumerable international conferences on the subject, including one held in 1967 by the Flemish economists in Ghent and the one held in New Delhi in 1968, to the reports and studies of the United Nations, especially to the speeches and statements of Paul Hoffman, the director of the

United Nations program in this field, to the reports and publications of intergovernmental and governmental agencies dealing with development, to the reports and publications of foundations, and to the reports and projects of other private organizations such as the Council for Latin America and the great industrial corporations of the Western world which have embarked on this enterprise.

All this material, with the possible exception of the Dominican Father Lebet, treats the problem from the purely technical, economic and social point of view, without any reference to anything transcendent and absolute. But the churches have recently caught the fever. Thus the World Council of Churches has for years been developing special organs to deal with this problem, and in July, 1966 held a World Conference in Geneva on Church and Society, whose discussions and debates form very interesting reading. At the end of this month the World Council of Churches and the Catholic Church are going to hold their first joint conference in Beirut on world cooperation for development. It is true, the Roman Catholic Church has a solid tradition of social doctrine going back to Leo XIII's famous Encyclical *Rerum Novarum* of 1891 and Pius XI's Encyclical *Quadragesimo Anno* of 1931, but between them Popes John XXIII and Paul VI produced in six years three Encyclicals on the subject: John's *Mater et Magistra* of 1961 and *Pacem in Terris* of 1963, and Paul's *Populorum Progressio* of 1967. *Populorum Progressio* lends itself to misunderstanding; as the influence of a certain French school of thought on it, especially that of Father Lebet, is evident; it must therefore be interpreted within the context of the total social teaching of its predecessors, and it cannot be understood in isolation from the findings and pronouncements of the II Vatican Council, especially the document entitled *Pastoral Constitution on the Church in the World Today*, to which it constantly refers. Yet no one can form a rounded view of the entire problem in all its dimensions without grounding himself sympathetically in the spiritual perspective of the churches. If God exists, and if he has had intimate, concrete dealings with history, then no human problem, especially that of development which touches on the very nature and destiny of man, can be considered as though he did not exist; and those are taking grave and gratuitous risks who have succeeded in convincing themselves that he does not exist,

Both Secretary Connor and Dean Brown adverted last year to the successful collaboration between business and government in the Third World. Business and government function overseas as "co-participants, as Secretary Connor put it, and he added that "business in a great many circumstances is in a far better position than the government to act directly and energetically to achieve economic growth. His basic conclusion was this: "The sound economic development of a peaceful world depends to a notable extent on both United States business and government." This is a central fact of our time, and because so much depends on America in this realm I shall make a few terse and trenchant remarks on this subject.

(1) The pound, dollar and gold crisis has shaken the world. The measures taken have produced a certain relief but they do not go far enough. Far more radical measures are called for. America simply must at all costs put its monetary and fiscal house in order, and this will require sacrifices on the part of business, on the part of politicians, and above all on the part of the people. The rest of the world must also collaborate, because we are all more or less together in this business. For obvious reasons I cannot enter into details, but the world can only believe and go along when it sees drastic and costly action taken. The deficit in the balance of payments must simply be removed. Raising the price of gold, in the words of Mr. Martin, Chairman of the Board of Governors of the Federal Reserve System, in a speech before the Financial Conference of the National Industrial Conference Board last February, "would break faith with the many nations around the world that have held dollars on the basis of confidence that the United States would stick to its commitment regarding the price of gold." What is more, the gap between the rich and the poor nations would then widen, because the poor nations are precisely those with little or no gold. Therefore the facility for special drawing rights must quickly be established. An authoritative voice must simply speak and lead with power. I shudder to think that we are helplessly drifting towards something of the magnitude of gravity of 1933 and 1941, and for the strongest economy in history with the most fantastic productive power not to be able to master the crisis appears to me to be wholly unbelievable. I believe human wisdom must be supplemented by men humbly getting on their knees seeking guidance and illumination from above.

(2) An agonizing reappraisal of the philosophy of foreign aid is called for. Self-help must be stressed much more. This means going much more deeply into the social, political, intellectual and spiritual conditions of the peoples concerned. The assumption that money alone, or technique alone, produces development is nonsense. Man is the principal actor and he is alone responsible. While people have learned from the patent fact that certain aids in the past were simply poured into ratholes, I do not believe they have learned enough. You cannot satisfy everybody; therefore you must be selective and economical, and if in five or ten years you will find yourselves compelled, as it were, to ration starvation all over the world, saying to this country, "We are sorry, but we cannot help two million of your people starving next year," and to that country, "We are sorry, but we cannot help ten million of your people starving the year after," you must accept your lot with compassion and grace. You must be hard at once on yourselves and others. While I know perfectly that the thing is very complex, and that doctrinairism and moralism are both false, yet no nation can allow its foreign aid to be subject indefinitely to the caprice of the blackmailer. The fallacy of "the argument from no alternative" must here be exposed, for to keep on perpetually saying "there is no alternative" is to say in effect that the grain of history is against you. Multilateralism

is not exhausted, especially the United Nations form of it. Realism, without the slightest admixture of softness and sentimentalism, is the principal thing—realism within the context of a total and deep policy. The final aim is that the peoples of these countries should be able to develop self-limiting civilizations that have epics in them, that can open the minds of their peoples to freedom, depth and responsibility, that can proceed from tribal to at least national unities, and then from that stage on to the federations that we hope may eventually spread a consensus juris throughout the world. Thus it is that the economic and material never come first, but always the political and human. Therefore, determine first your fundamental world policy and make sure first of the kind of man and spirit you are serving and defending, and then in the light of these your aid program will simply and naturally articulate itself. Certainly peace and justice are at stake, but even prior to these are the original human and spiritual values that will flourish in peace and merit the wholesome fruits of justice.

(3) The population explosion is a limiting factor. This must be taken with the phenomenon of rising expectations. For in some countries it is not just a question of halting the population growth, but of meeting the rising demands of the existing population, even if this population were to remain stationary or even to be reduced by half. How wise, then, the following statement of the World Council of Churches in connection with the UNCTAD conference at New Delhi this year: “To ensure a measure of success of the conference, the developed nations are urged to take a far-sighted, responsible and constructive view of world economic need within the limits of their resources, and the developing nations are urged to take a realistic view in fixing the level of their expectations and the breadth and nature of their own responsibilities at this point in time.” Mexico is a model in this respect; that land completely cured its food deficit and, with the aid of the Rockefeller Foundation and American and United Nations technical assistance, has done a magnificent job of putting the peasant on a productive basis where he can support the population despite its moderate rate of growth. The combined phenomena of rising expectations and population explosion are going to produce convulsive tensions and chronic instabilities throughout the underdeveloped world, for this world has very fragile traditions and institutions of self-government. You can be sure that the international communist movement will take full advantage of this fact. For decades and generations, then, the countries of the Third World are going to be the scene of upheavals, revolutions and coups. Revolutions do not break out below a certain threshold of development or above a certain platform, but in the intermediate stage of growing expectations and rising fulfillment, and the duration of this stage in the Third World is going to be very long indeed. Once again we see the necessity for a certain distance, for passionless coolness, for subordinating the husbanding of one’s limited resources to the service of the ultimate values that one wishes one’s children to continue enjoying.

(4) The calculated risks that business takes in venturing forth abroad cannot include an excessive danger of nationalization or confiscation. There should arise some sort of general ethic built into the fabric of international law against confiscation or against nationalization which amounts to confiscation. The developing countries have every right to guard against egregious exploitation, but they owe it to their own peoples to create political and legal conditions that will attract rather than repel foreign investments. Nationalization at the right time when the country is ready for it is fine and inevitable, provided even here there is agreement between the parties concerned; but nationalization before the right time or in a spirit of disagreement could work havoc to the national economy. The lessons of Indonesia should be pondered by all developing nations. Within limits, countries can only learn from experience, but if these limits are passed, the possibility of learning will then pass with them. Let people learn from experience, but make sure that the limits are not passed, for then it will be too late to learn from anything. That is why history is such an exceedingly serious business, for certain processes are simply irreversible. It is then the duty of high statesmanship to make sure that these limits are not passed, and when they are about to be passed to act immediately and decisively. It is better here to err on the safe side. Within these limits, vigilantly watched, nothing pays more than patience, firmness and understanding on the part of the more advanced and developed. In an atmosphere of trust and confidence the question of confiscation need not arise. Thus nothing replaces bilateral friendly relations sedulously cultivated over the years. Of course international communism in competition with the West is going to agitate against “imperialism” and “exploitation” and “monopolistic capitalism,¹¹ and of course it is going to pit state capitalism, euphemistically called nationalization, against Western free enterprise. But who is going to outwit whom—that is the question. On this matter of “exploitation,” allowing for many blunders and mistakes, America can nevertheless rightly say that during and ever since World War II she has expended hundreds of billions of dollars for foreign aid in one form or another, including all she did for Russia during the war, and that the present deficit in her balance of payments is principally due to this fact. It is true America and the Americans did not just give away their substance foolishly and without compensation, and that as a result they reaped a rich harvest—economically, politically and morally. But think of where the world would be today without this far-sighted American act. Modesty is a good virtue, but when it comes to the truth it is possible to remind others of your magnanimity in perfect simplicity and without the slightest trace of bluster or boasting.

(5) I should like to give three examples of successful modes of cooperation between the United States Government and American private enterprise overseas, examples that I happen to know something about: the Arabian American Oil Company in Saudi Arabia, the American banks in Lebanon, and the American University of Beirut.

Aramco is a multi-billion-dollar enterprise and it has had excellent relations both with the United States Government and with the Government of Saudi Arabia, Saudi-American relations have weathered many tensions, because the basic spirit of mutual comprehension and friendship always finally prevailed. While not confusing each other's independent realms and competences, Aramco, from its intimate knowledge of conditions, has helped considerably to interpret the situation both to Washington and to the local scene, and Washington has helped in promoting a climate of trust and confidence under which Aramco could peacefully operate. The same is true of course of Tapline, the subsidiary pipeline corporation which pumps Saudi oil across the desert to the Lebanese Mediterranean port of Sidon.

Beirut is the recognized banking center of the Middle East. A number of American banks, including the Bank of America, Chase Manhattan, and the First National City Bank of New York, are doing a thriving business in this cosmopolitan capital. The reason for this is the entirely free society and system of government of Lebanon which make it possible for the free exchange of ideas, goods, services and money to take place. Lebanese currency is one of the hardest currencies of the world. Again the friendly relations that have been laboriously built up over the years between the Governments of the United States and Lebanon, and between Americans and Lebanese, have helped Lebanon in no small degree to maintain its free society and its free economy. It is therefore in the interest both of Washington and the banks, and certainly also of Lebanon itself, to continue cooperating so that Lebanon will not lose its political independence and its free economy will not be undermined.

The American University of Beirut is another example of a flourishing American private corporation overseas which has been materially assisted by the United States Government. The United States Government never interferes in the academic policies of the University; indeed the University would never allow it to do so. But without United States Government aid in one form or another, with no strings whatsoever attached, the University could not have carried on its great educational mission for the entire Middle East, and now for territories beyond in Asia and Africa, since the Second World War. I doubt that any funds that Uncle Sam is disbursing anywhere abroad are better spent or more worthily placed than the aid the University, with all its limitations and handicaps, is receiving from public or private American sources. The job that it has quietly done for a hundred years now has been most outstanding. Washington sees the challenge and generously responds to it; and the University seizes its great opportunities and labors to make itself worthy of the trust it has so far received. Again without the actuality of freedom in Lebanon—socially economically, intellectually, spiritually—the University cannot exist, let alone flourish, but Lebanon feels much stronger, freer and more secure when it knows that the American Government and people believe in it and support its independence and freedom.

The moral of all three examples is that international business, government relations prosper best, not on the basis of mercenary or mechanical arrangements, but where enduring relations of friendship, affinity of outlook and mutual confidence have been firmly developed between America, as a government, as business and as a people, on the one hand, and the governments and peoples concerned, on the other.

(6) The challenge of development is too vast for any one country to meet and answer. Even if all the resources of the United States were marshaled towards licking this problem, they could not lick it on a world scale. In fact it is doubtful that it would be fully met even if all the industrialized world pooled all its resources to this end. The brute fact is that there is too much poverty, backwardness, retardation, inequality and misery in the world, not only in Asia, Africa, the Middle East and Latin America, but in the industrialized world itself, for the world's effective resources to cope adequately with this problem. But the only hope of making a significant dent on this front is for business and government everywhere to cooperate on a world scale.

Great consortia, not only within the West, but also between East and West, should be developed. The ideological sting must abate for this to happen. The experience of the United Nations in its worldwide technical assistance program, limited and lean as it is, may one day serve as an exemplar. The problem world-wise will remain unmanageable to the extent to which Western society is divided between government, business and labor, and the world as a whole divided nationalistically and ideologically. Some cohesive unity within the nations and between the nations is absolutely necessary today. Some system must therefore arise grounded in objective justice, namely, in the assurance that legitimate rights within nations and between them will be guaranteed, so that all can pursue their proper interests with due regard for the interests of others. This is another way of saying that the need is to seek the right order of peace. Communists and capitalists, Westerners and Easterners, developed and underdeveloped, management and labor, business and government, must all take pride in participating in a vast common enterprise for the good of humanity as a whole, with minimum friction between them due to factional or national or ideological interests. This is of course the original dream of the United Nations. If the great nations, principally the U.S.A., the U.S.S.R., and Western Europe, agree on an order of cooperation, in perfect dignity and self-respect, and with proper protection for their respective values, a breakthrough in this realm may then be achieved. The point is that the magnitude of the challenge for the years and decades to come is much greater than anything that can be coped with by mere "international business-government relations" on a national basis; the magnitude of the challenge demands an order of "international business-government relations" on an international, intercultural and inter-ideological basis.

It is strange how the world is becoming one—one at least as an “ought”. We are all becoming members one of another. Development requires that everybody cooperate with everybody to bring it about, that we all transcend our differences. Business ought to cooperate with government, and labor with both business and government. Business in one country ought to cooperate with business in another country, and governments of course with one another. So ought labor. East ought to cooperate with West if an appreciable dent is to be made on this problem. And the underdeveloped countries ought to be realistic and responsible in their planning if their problems are to be brought under control. If, as Pope Paul VI has said, “development is the new name for peace,” then without bringing together these several “oughts” into a total harmony, there can be no adequate development and therefore there can be no real peace. The crying needs of the world are bringing about the unity of the world— or are driving the world to seek its unity. But the “ought,” real and commanding and obligating as it is, is one thing; its embodiment in fact and being is quite another.

The perspective thus opened shows clearly that the problem fundamentally is not economic or social, nor even political; business and government cannot provide the conditions for meeting the challenge; they can play an indispensable role in the fulfillment of the task, but alone they might very well defeat their own purposes. The problem is in the first instance human and spiritual. Man is rotten and cannot be easily corrected by mechanical means; his heart must be touched and transformed, and his spirit healed and converted. Therefore business and government must enlist the aid of thinkers, poets, educators, men of letters, men of sanctity, the press, the movie, the radio, television, the Church, the whole tone of society, to inspire and work towards the right order of peace.

The elements of this right order are clear. They are: objective justice; mutual respect; freedom and self-determination; pluralism and toleration of variety; the rule of law; an intense sense of the common good on a world scale; the humbleness of the strong; the humility of the weak; the sobering consequent on the knowledge of one’s limitations; 10- and 20-year plans with definite objectives; peaceful groupings on political, economic, cultural and regional grounds; an appreciable toning down of the principle of sovereignty; the subordination of the economic and political to the human and spiritual; the spirit of patience, forbearance, tolerance, participation; assurance to everybody that he will develop himself and his values to the utmost practicable extent, in freedom and without undue interference by others. These will guarantee the right blending and balance of the national and the international idea, the specific cultural and the intercultural idea, the specific ideological and the interideological idea.

This is a superhuman task, but without approaching or approximating it nothing can be achieved of what I called “international business-government relations on an international and intercultural basis” for the purpose of coping with the problem of development. But if man cannot bring it about, man certainly knows the four basic conditions without which it can never be brought about: freedom, respect, self-control, and patience. Since these are beyond man, namely, since man, as Dostoyevsky/showed, would rather not be free and responsible, and since he would rather not respect others and can hardly control himself and is certainly impatient; and since man chooses in his self-satisfaction not to believe in or seek the beyond; we shall continue drifting from one mess to another, from one day of judgment to another. Meanwhile men and nations will do the best they can.

V

The cold war appears to have abated and ideology does not seem as stinging as before. The unthinkability of nuclear war, the common pressure of China, changes within both systems, and increased economic, political and cultural relations, including agreements on the test ban and non-proliferation, all these have contributed to the relaxation. When relaxation supervenes there is danger on both sides that the objectives of the war, whether hot or cold, will be attained by other means—infiltration, softening up, subversion, indirect aggression, and the whole arsenal of weapons short of war which Leninism-Marxism has accumulated since 1848, I think the non-communist world has by now accumulated its own arsenal of peaceful weapons too, and so we stand before a gigantic competition in peace under the protective umbrella of the atom. The atom, or rather I should now say the nucleus, immobilizes both parties against the use of it, but for that very reason gives them almost unlimited freedom to do what they otherwise can do since they know that, whatever the other does, he will not dare use it. I am assuming here a continued state of parity which of course may not continue indefinitely owing to some technological breakthrough arrived at suddenly and in total secrecy.

He is likely to win in this fateful competition, in Asia, in Africa, in the Middle East, in Latin America, and in his own home land, who never lets his guard down, who outsmarts the other fellow in the manipulation of the free rules of the game, who pushes his material and political advantages while he enjoys them to the utmost, who keeps on enlarging the area of cooperation on a sound and non-sentimental basis, who knows how to draw out from the other fellow what both have in common, who believes more firmly in his fundamental values, who develops a greater capacity for patience and love, and who holds out more tenaciously against all that softens and corrupts.

The real long-range problem is not Russia but China. When Russia thinks ahead 10 or 20 years from now, it is China that looms before it as the principal danger. Already Russia has for at least ten years been thinking of China far more than of Europe or America. Despite the official Marxist ideology Russia is essentially European and Western—intellectually, culturally, spiritually, historically. On the other hand, despite its Marxism, which incidentally is not considered as orthodox by Russia, China is neither European nor Western. There is nothing Chinese that speaks to your and my soul as do Pushkin, Dostoyevsky, Tolstoy, Tchaikovsky and Pasternak, and Russian spirituality, despite the official atheism, is patently Orthodox Christian. I wholly agree with Berdyaev that Atheism and materialism are a passing episode in Russian History I have no doubt this underlying Russian spirituality will reassert itself one day even in official circles, and I believe the Russian intellectuals and the Russian army are going to play a decisive role here. There is a remarkable humanity about the Russian soul which enables it to identify itself with every state and condition of men. This is the more potent secret weapon in the Russian spiritual arsenal.

So as not to fall either into false complacency or into unfounded despair one must keep in mind the actual balance sheet of facts. Only in this way does one rise to the perspective of the detached and just. Among items on the minus side we have: the stalemate in Vietnam, the social problems in America, the virtual abdication by the British of their world-wide responsibilities, the tribulations of the pound and dollar, the estrangement of France, the seething caldron which is Latin America, the population explosion, the injustice and hostility in the Middle East, the massive communist infiltration which has occurred in the Near East during the last 20 years, the rebellion of youth, the crash of moral standards, the flood of filthy literature, the decay of philosophy, the sickness of the intellectual community, the crisis of faith and in the churches.

Among items on the plus side we have: the essential economic, industrial and technological strength of Europe and America, the strength of Japan and Germany, the experience of Indonesia, the fact that America continues to hold out in Southeast Asia, the China-Russia split whereby Russia is drawn more and more westwards, the fact that Turkey and Iran continue to hold out, the fact that the Cyprus problem appears to have been contained, the winds of freedom which are blowing in Eastern Europe, the intellectual ferment in Russia, the more relaxed spirit in Russia than in the days of Stalin, the fact that the United Nations is still functioning, though limpingly, the ecumenical movement among the churches to which I attach the greatest importance, the arousal of many people in the free world to the fundamental questions.

I am therefore not discouraged though for many reasons I am profoundly disturbed. If one continues to hope it is more the hope of faith than the hope of certainty. And by faith I do not mean the childish optimism of the nineteenth century or the latter-day trust in some mechanical dialectic; by faith I mean faith in the living God, the God of our fathers, who oversees all and holds all in the palms of his hands; the God whose “name is excellent in all the earth” and who is “the confidence of all the ends of the earth, and of them that are afar off upon the sea,” (Psalms 8:1 and 65:5).

The lessons to be drawn are obvious in every case. The important thing is for business and government to realize that the struggle is global and total, that this is a real kind of war for which they should be mobilized and integrated more or less on a warlike basis, that indirect aggression is aggression all the same, that the domain of freedom must not shrink further, that the Russian-Chinese problematic should be allowed to unfold itself in its fatal reality, pathos and drama, and that the stakes in this global encounter are the highest conceivable—nothing less than the deepest values of the cumulative positive tradition of the last 4000 years.

In this new kind of war, so different from the wars of old and so baffling, how much is needed of the spirit which Emerson depicted and commemorated in a speech at Harvard on July 21, 1865 when Harvard welcomed those of her sons who had survived the civil war and when the names of the ninety-three of Harvard’s sons who had fallen in the war were inscribed on six tablets and placed where all could see!

“The war gave back integrity to this erring and immoral nation. It charged with power, peaceful, amicable men, to whose life war and discord were abhorrent. What an infusion of character went out from this and other colleges! What an infusion of character down to the ranks! The experience has been uniform that it is the gentle soul that makes the firm hero after all... In fact the infusion of culture and tender humanity from these scholars and idealists who went to the war in their own despite—God knows they had no fury for killing their old friends and countrymen—had its signal and lasting effect... Standing here in Harvard College, the parent of all the colleges; in Massachusetts, the parent of all the North; when I consider her influence on the country as a principal planter of the Western States, and now, by her teachers, preachers, journalists and books, as well as by traffic and production, the diffuser of religious, literary and political opinion;—and when I see how irresistible the convictions of Massachusetts are in these swarming populations,—I think the little state bigger than I knew. When her blood is up, she has a fist big enough to knock down an empire. And her blood was roused. Scholars changed the black coat

for the blue... These men, thus tender, thus high-bred, thus peaceable, were always in the front and always employed... And in how many cases it chanced, when the hero had fallen, they who came by night to his funeral, on the morrow returned to the war-path to show his slayers to way to death!"

(Emerson, Works, Boston, Houghton, Mifflin and Company, 1906, Vol. XI, pp. 342-344.)

VI

How much I wish that I could impress upon you the plain fact that the struggle is global and total without running the risk of clever people making fun of me and calling me a "globalist": It affects every facet of life, inner and outer. I beg you not to be deceived or lulled by your prosperity and security: the thing is very, very deep. It is thus exhilarating beyond words to be absolutely self-conscious of what it is all about and to take part in it in every way one can. It is wonderful to be living in this day and age and to see the deepest issues of the spirit becoming cosmic in their scope. It is wonderful to find yourself caught up in thought and in action in the great struggle which is raging all around us and all within us. I believe one who is fully aware of what is really at stake receives a tremendous spiritual uplift as from another world, He is then fully self-possessed and calm. He will say with the Psalmist: "I will both lay me down in peace, and sleep: for thou, Lord, only makest me dwell in safety," " (Psalm 4:8)—the safety, not of the world and its confusion, but of knowledge and of truth, the safety which, far from making me sleep, keeps me on the alert every minute. He is no longer alone; he is in deepest communion with the ages; David and Paul talk to him, Plato and Aristotle talk to him, Augustine and Chrysostom talk to him, St. Francis talks to him. And if his contemporaries while away their time in trivialities or harden their heart against his warnings, he simply rests his case in God,

What then is at stake in this cosmic engagement? What is at stake is nothing less than man, freedom, reason, truth, God and the unity and continuity of history.

Man is on trial everywhere—his dignity, his stature, his reality, the fullness of his being. This year has been designated by the United Nations the Human Rights Year, in celebration of the 20th anniversary of the proclamation in Paris of the Universal Declaration of Human Rights. I had something to do with this document, and I beg you to read it and compare its conception of man with his actuality today. Man is everywhere on trial.

Freedom is desperately struggling to keep its head above the surface, and even you, the children of freedom, when you preach to Asia and Africa what they must do about

themselves, hardly ever speak in terms of freedom but always of food and disease and ignorance and starvation, as though you could not be fully educated and fully fed, and without a single worm in your body, and still be a slave.

And reason—poor reason!—who cares for it or speaks about it any longer? It is all a matter of instinct, and impulse, and emotion; and force, and social conditioning, and arbitrary arrangements, and has become mere words. Why, philosophy herself has become the splitting of words today, and man has nothing to rest on and believe in.

As to truth—the amount of falsehood and cleverness and evasion and escape and fear and sheer darkness, even in the highest intellectual circles, is simply appalling. Everything flows and changes—this has become the wisdom of this age.

And God himself is now everywhere as He were on the defensive. If you really believe in God, you must keep it to yourself, otherwise you may run the risk of disqualification from high university posts. And I say it with the highest respect, but I say it—the Supreme Court of the United States is helping—or at least is misunderstood as helping—to put God on the defensive.

Finally, history—than which nothing is more important—is chopped up into bits and pieces. All kinds of new histories are started, in utter disregard of what went on before. Thank God, when America began its independent history it never broke away from the continuity of the past, and today the Bible, the Greeks, the Romans, the Middle Ages, the Renaissance, Europe—all these are learned by American youth as belonging to the very essence of their heritage.

The struggle is global and total. You may imagine that these things are only happening out there and you and I are only watching them from the outside. But because the struggle is everywhere it works itself into our inmost hearts. Nay, it could be that it is “out there” because first it rages in each and every one of us.

How much is each one of us—and I leave the matter in every case to your honest personal judgment—how much is each one of us struggling, struggling to maintain his integral humanity?

How much does each one of us miss sadly, nostalgically the wonderful freedom of the spirit which he knew once?

How much does each one of us find the dark forces of rebellion and unreason and corruption welling up more and more in his bosom?

How much does each one of us struggle, perspire to make truth, at times the simple truth of man, manifest in the quiet calm of simple declaration?

How much do the world and its cares, as well as our own strange human nature, cause us to forget God, and if he nevertheless returns to us now and then, it isn't thanks to us or to the world, but to His ineffable compassion and love?

And how difficult it is—oh how inexpressibly difficult—to maintain the genuine historical perspective amidst the galloping rush of events!

The struggle, then, is not just global and total: it is inner, personal, spiritual, existential. Each one of us knows very well that man, freedom, reason, truth, God and history are desperately fighting for their own lives in his own life. It could very well be, then, that the macrocosm, as Plato would say, is only the microcosm writ large.

It is legitimate and proper to bring about peace and prosperity in the world—to bring about even progress. But the prior question is peace and happiness in one's own soul. Equally prior is the question whether prosperity and progress in the world conduce to real peace and happiness. There is no necessary connection between prosperity, progress and development, as commonly understood, and real peace and happiness. Progress and development could just as well lead to misery and war. The softness of the prosperous, the pride of the progressive, the instability and dissatisfaction of the developed—all these are proverbial. It is therefore the kind of prosperity, the kind of progress, the kind of development, that matter, and this introduces a totally independent dimension of values. There is something beyond and above progress and development and prosperity which judges them and which they subserve.

This wholly other dimension which judges and justifies everything is quite independent of the world. It operates under any conditions; it could be present or absent in any situation. If absent, then no amount of development, progress and prosperity could bring about peace and happiness. This independent realm, which alone bestows peace and happiness, which has its own laws and its own logic, belongs to the order of the will, the basic attitude, the fundamental orientation. It is spirit. It deposits itself in history in and through persons. And these persons who are themselves the children of the spirit create movements and traditions in history which embody peace and happiness quite independently of any development, any progress, and any prosperity. Let us therefore not lose ourselves in development and progress; let us seek these men and traditions and submit to the discipline of their spirit. And if conflict should arise between progress and peace, let us not hesitate to sacrifice progress for the sake of that peace which the spirit alone gives.

Those who worship prosperity and progress alone, who trust only in horses and chariots and princes and men, should visit Tyre in Lebanon, which worshiped prosperity and progress before them, but which has been reduced for more than two thousand years now to a heap of ruins. They should also read Ezekiel's prophecy and lamentation over Tyre.

“Now, thou son of man, take up a lamentation for Tyrus; and say unto Tyrus, O thou that art situate at the entry of the sea, which art a merchant of the people for many isles. Thus saith the Lord God; O Tyrus, thou hast said, I am of perfect beauty. Thy borders are in the midst of the seas, thy builders have perfected thy beauty. They have made all thy ship boards of fir trees of Senir: they have taken cedars from Lebanon to make masts for thee. Of the oaks of Bashan have they made thine oars; the company of the Ashurites have made thy benches of ivory, brought out of the isles of Chittim. Fine linen with brodered work from Egypt was that which thou spreadest forth to be thy sail; blue and purple from the isles of Elishah was that which covered thee. The inhabitants of Zidon and Arvad were thy mariners... The ancients of Gebal and the wise men thereof were in thee thy calkers... They of Persia and of Lud and Phut were in thine army... Tarshish was thy merchant by reason of the multitude of all kind of riches; with silver, iron, tin, and lead, they traded in thy fairs. Javan, Tubal, and Meshech... the men of Dedan... Syria... Judah... Damascus... Dan and Javan... Arabia... Sheba and Raamah... Haran... and Canneh, and Eden... These were thy merchants in all sorts of things, in blue clothes, and brodered work, and in chests of rich apparel, bound with cords, and made of cedar, among thy merchandise. The ships of Tarshish did sing of thee in thy market: and thou wast replenished, and made very glorious in the midst of the seas. Thy rowers have brought thee into great waters: the east wind hath broken thee in the midst of the seas. [Note, “the east wind!”] Thy riches, and thy fairs, thy merchandise, thy mariners, and thy pilots, thy calkers, and the occupiers of thy merchandise, and all thy men of war, that are in thee, and all thy company which is in the midst of thee, shall fall into the midst of the seas in the day of thy ruin... Because thine heart is lifted up, and thou hast said, I am a God, I sit in the seat of God, in the midst of the seas; yet thou art a man, and not God, though thou set thine heart as the heart of God. Behold... there is no secret that they can hide from thee: with thy wisdom and with thine understanding thou hast gotten thee riches, and hast gotten gold and silver into thy treasures: by thy great wisdom and by thy traffick hast thou increased thy riches, and thine heart is lifted up because of thy riches. Therefore thus saith the Lord God; Because thou hast set thine heart as the heart of God; behold, therefore I will bring strangers upon thee, the terrible of the nations: and they shall draw their swords against the beauty of thy wisdom, and they shall defile thy brightness.”

(Ezekiel 27 and 28).

Our theme has been international business-government relations. I believe business and government separately and together can do wonders, both for America and the world. But I beg them both not to think themselves God—and to remember that there is God; to remember, too, that from this God comes the fullness of the stature of man, that in him we receive the perfection of our freedom, that he is perfect reason and perfect truth, and that he is the Lord of History so that “without him was not anything made that was made.” (John 1:3). Remembering they may then fear, and fearing they may cry with David:

“Blessed is the nation whose God is the Lord; and the people whom he hath chosen for his inheritance... Oh that men would praise the Lord for his goodness, and for his wonderful works to the children of men!... O praise the Lord, all ye nations: praise him, all ye people. For his merciful kindness is great toward us: and the truth of the Lord endureth for ever.”

(Psalms 33:12, 107:8, 117).