

Speeches. SEC staff

CAUTION -- ADVANCE

For release upon delivery.

ADDRESS

of

WILLIAM O. DOUGLAS

Chairman, Securities and Exchange Commission

before the

ANNUAL DINNER

of the

FORDHAM UNIVERSITY ALUMNI ASSOCIATION

Hotel Commodore
New York, N. Y.

February 9, 1939 - 7 P. M.

34907

Mr. Dooley once said, "Historyans is like doctors. They are always lookin' f'r symptoms. Those iv them that writes about their own times examines th' tongue an' feels th' pulse an' makes a wrong dygnosis. Th' other kind iv history is a post mortem examination. It tells ye what a country died iv. But I'd like to know what it lived iv."

Mr. Dooley typifies the right of every American to express himself profoundly on broad questions of which he nas no expert knowledge. When I leave my own field of law and government, I too avail myself of this privilege.

I think we all snare Mr. Doolee's belief that the important thing for us to know about our country is "what it lived of." To know what makes our country live is to have the key to the immortality of its democratic ideal. That, perhaps, is what President Roosevelt had in mind when he said that this generation had a real "rendezvous with Destiny." It is our generation's destiny, in a time of great distress, to make democracy live, to make the democratic ideal survive the many assaults that beset it.

Unwittingly, I fear, we have in various ways slowly slipped away from that ideal. Over the years we have been preoccupied with materialistic and mechanistic matters. We have been incessantly employed in serving the physical wants and needs of man. The main current of our modern times nas been a sweeping advance of technology and too often it has overshadowed all else. The problems of research, of production, of distribution, of

finance have quite properly occupied a high place in our thought and activity. But the underlying values have been largely materialistic. Our material progress has often failed to reckon with the deep, spiritual factors of the democratic faith.

One aspect of modern life which has gone far to stifle men is the rapid growth of tremendous corporations. Enormous spiritual sacrifices are made in the transformation of shopkeepers into employees. The materialistic god of efficiency may dictate it in certain cases. But the extent to which it has been carried has been ruthless in its loss of human values. The disappearance of free enterprise has led to a submergence of the individual in the impersonal corporation in much the same manner as he has been submerged in the state in other lands. As a corollary the growth of the corporation has impersonalized and made materialistic many of our most important social and personal relationships. As a most gracious and polite lady in the drawing room may be transformed into a most impolite person behind a steering wheel of an automobile, so gentlemen may be propelled into ruthless raiding of other people's money once they take the corporate veil. The convenient and impersonalized use of the corporate device has unquestionably contributed to moral decadence. That has especially been true with the growth of bigness. Empires so vast as to defy the intimate understanding of any one man tend to become playthings for manipulation. The fact that railroads, or banks, or operating utilities lie somewhere deep underneath the corporate maze becomes incidental. Values become translated. Service to human beings

becomes subordinate to profits to manipulators. The stage setting is perfect for the disappearance of moral values. Individual responsibility before God has no counterpart in the corporate system.

In some countries this flood of materialism has risen so high as to drown out the spirit. Communism places complete reliance upon the satisfaction of physical needs, making of man a wholly economic creature. Fascism goes so far as to deify the corporate state, making man responsible to the state instead of to God. Both of these systems have suppressed the spiritual values which are the essence of democracy. Neither recognizes the principle that men are "endowed by their Creator with certain inalienable rights." Those alien systems have expurgated the words of the philosopher who said "Pride not yourself in this, that you love your country, but rather in this, that you love mankind."

Fortunately in America the ideal of democracy is still alive and vigorous. This ideal includes both equality of economic opportunity and equality of political opportunity. It is broader and more embracing than either. It recognizes that man is not simply a biological organism, or merely the product of economic forces. It gives preeminent recognition to the principle that man is also a spiritual and ethical being. The ingredients of that faith are not solely materialistic; they are spiritual and ethical as well. They recognize the importance of the inward satisfaction of confidence in one's self; the deep desire for the respect of one's fellow man; the longing to be identified with some cause dedicated to the interests of humanity. Basically this is the democratic ideal. In practice even in this country it has at times seemed to lose some of its vitality. To revitalize it is the first order of our day.

I have often wondered what would happen if for a generation we had no new patents, no new discoveries, no new technological advances, no new mergers. If the wheels of invention were stopped and the processes of discovery were stilled, we would, I am sure, continue to live in comfort. Known skills and devices could go on servicing the physical needs of man interminably. They might not be as efficient as scientists could make them. But I have no doubt that the needs and desires of man could be met on the physical side.

I do not mean for a moment to suggest this as a proper course for us to take. Nor do I mean to minimize the importance of filling abundantly the basic physical needs of our whole people. I recognize fully that man physically impoverished is a poor cornerstone for a free democracy. A strong, efficient, well-balanced national economy will ever be one of our indispensable assets. But without the meaning and guidance of a vigorous set of spiritual values, I doubt that the other will alone enable us to meet successfully our "rendezvous with destiny."

One great source of strength to which all of us look in keeping alive the democratic ideal is the university. It may be that in the years immediately ahead, our universities will again be called upon to play that great role in the protection of civilization which has been theirs for centuries. This responsibility has been recognized by more than one distinguished educator. President Conant of Harvard, in his

recent annual report, made the following statement:

"Today we all realize that democracy is not a self-perpetuating virus adapted to any body politic -- that was the assumption of a previous generation. Democracy we now know to be a special type of organism requiring specific nutrient materials -- some economic, some social and cultural. Among the latter the emotional stability and intelligence of the electorate are obviously of importance; these are intimately connected with the type of education we give our children. Another requisite for a flourishing democracy would appear to be the existence of a ladder of opportunity; again the educational process is involved. From these and many similar considerations it is evident that if we wish the present type of society in this country to survive and to improve along thoroughly democratic lines, we must, as a people, pay due attention to our schools."

Yet even colleges and universities are not impervious to the dominant and engulfing materialistic influences of our time. Excessive trends towards purely technical training have been continuously observed by experts in education. At certain times and places it was a close question as to whether or not the main efforts and resources of some institutions of learning would not be devoted to simple trade school curricula.

This I know has been evident in legal education where purely professional training has been too often the dominant note. This has been true to such an extent in the past that legal education at times resembled a course of instruction in contract bridge. And I have often thought that the medical profession has been so busy dividing man into neat little compartments and placing him in so many separate test tubes that man as a total organism has often been little comprehended. Emphasis on the purely biological aspects of man has too often led to diagnosis of disease in terms of outward physical manifestations rather than of inward spiritual and emotional maladjustments.

The foregoing are merely small examples of a larger trend in the universities today. There is demand for a re-awakening of the ancient concept of the university as the custodian of the things of the mind and the values of the spirit. The rise of materialism is today the greatest single challenge to the universities, not for the purpose of resisting technological advance but of attuning that advance to the spiritual need of man. All of us, and particularly the universities can well heed the recent words of President Roosevelt:

"Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

"International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

"In a modern civilization, all three -- religion, democracy, and international good faith -- complement each other.

"Where freedom of religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free worship has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force.

"An ordering of society which relegates religion, democracy, and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith."

It is that spiritual ingredient which is necessary for great strength and vitality of nations as well as of individuals. That spiritual ingredient is itself the solvent of many social ills, and perhaps even economic ills. It is also the preventive of planetary disintegration. Of equal significance, it is the cohesive element which mystically binds men together in a common cause and makes strong and united, groups torn by dissension and turmoil.

Faith alone will not solve all problems. Basic economic and social issues will persist. But give us faith and we will have the driving force necessary to solve the other problems. With that faith our economic system can be revitalized. With that faith and with that revitalization, foreign ideology need breed no fear here. Such ideology, like a germ, can gain a foothold only in a diseased system. Spiritual well being as well as physical health are both necessary preventives against such disease.

Such a renaissance constitutes the principal responsibility and opportunity of all of us -- including universities and government -- who are interested in the preservation of the American democratic ideal. Universities train the men that government needs. Men trained in the democratic faith are indispensable on the governmental front. Men with technical competence, men with humility, men with the quality of selflessness, men with a sense of responsibility -- these are the needs and demands of democracy. Training of such men is a task of education and of stimulation. With such men, government in its strong position of leadership can make a continuous contribution towards a revitalization of the democratic ideal. With such a program our whole national life can be continuously enriched by the influx into government, business, and the professions of men basically conditioned in the democratic faith. But technical training will not alone suffice. We must reorient much of our materialistic philosophy in terms of humanitarian principles.

We have observed enough on our contemporary scene to know that a supreme spiritual effort must go hand in hand with an economic and social program. We have seen enough to convince us that dilution of ethical principles weakens rather than invigorates our present system. Therefore we know that on the basis of sheer self interest such a renaissance is a prerequisite to a strengthening and invigoration of both capitalism and democracy.