

Introduction

In 1947, a slim volume written by a largely unknown General Motors corporate executive was issued by a small publishing house under the title of *Mainspring of Human Progress*. The book began with an intriguing chapter entitled "Puzzling Questions of Vital Concern to 2,155,000,000 Individuals," led off with this curious paragraph:

For 60 known centuries, this planet that we call Earth has been inhabited by human beings not much different from ourselves. Their desire to live has been just as strong as ours. They have had at least as much physical strength as the average person of today, and among them have been men and women of great intelligence. But down through the ages, most human beings have gone hungry, and many have always starved.

The author, Henry Grady Weaver, served as director of customer research for GM. Blind in one eye, he nevertheless spent much of his life peering over data. He was a number-cruncher, not a philosopher or polemicist. His writing experience had consisted mainly of penning articles on psychological research. But *The Mainspring of Human Progress*, an amateur's paean to freedom and individual ingenuity, remains one

of the finest discussions of the impact of business on society that has ever been written.

Weaver was writing to an American public that had just endured almost two decades of desperation, economic hardship, social upheaval, and war. There was a sense of euphoria after the surrender of Germany and Japan in 1945, a commonly held belief that the United States had managed to extricate itself from turmoil and disaster to unparalleled strength and influence around the world. At the same time, however, fears and doubts were beginning to surface about some of America's traditional institutions and principles. The apparent vitality of the Soviet Union, which had itself fought back from the brink of destruction to a glorious victor, was unsettling. The lingering economic controversies from the New Deal--about the role of the federal government in society and the ability of capitalism to provide jobs and opportunities for the common man--had been left unresolved during a half decade of world war. Indeed, the growth of the federal government during World War II and the unprecedented role it assumed of directing and managing the wartime economy was just being realized and debated.

Weaver was a practical man as well as a vigorous defender of American business. He understood that, in order to persuade his readers that the free enterprise system was worth preserving, he would have to eschew elaborate theory and focus instead on historic fact and common sense. So, he began his book with a discussion of the state shared by most human beings throughout

most of human history--hunger. The ancient civilizations extolled by historians and philosophers, Weaver pointed out, consistently failed to keep their people fed. Egyptians and Greeks sometimes killed their babies because they couldn't feed them. The Roman Empire collapsed in famine. French peasants were dying of hunger when Thomas Jefferson bought Louisiana from Napoleon Bonaparte. As late as 1846, the Irish were starving to death from a potato famine. In Weaver's day, famines continued to plague significant portions of Asia and Africa. But by 1947, in the United States, there were only periodic, geographically limited episodes of hunger. And after Weaver's time (he died in 1949), the "Green Revolution" of unparalleled agricultural productivity in the 1960s essentially eradicated hunger as a serious problem not only in the U.S. but throughout much of the developed and developing world.

Weaver was fascinated with the sudden, amazing productivity of agriculture, as well as with other pleasant surprises of modern life. "Why did men, women, and children eke out their meager existence for 6,000 years [of recorded history], toiling desperately from dawn to dark--barefoot, half-naked, unwashed, unshaved, uncombed, with lousy hair, mangy skins, and rotting teeth--then suddenly, in one place on Earth there is an abundance of such things as rayon underwear, nylon hose, shower baths, safety razors, ice cream sodas, lipsticks, and permanent waves?" he asked. Imagine what Weaver might think of American society today, where a family of modest means might have access to a

cornucopia of foods and treats, dozens of television channels, access to thousands of movies, inexpensive clothes and cosmetics, a luxurious (by the standards of 1947) home with air conditioning, microwave ovens, digital stereo, a medicine chest full of life-saving or pain-alleviating drugs, several reliable automobiles, and a magical desktop machine capable of balancing a checkbook, drawing a picture, publishing a newspaper, playing a game, and sending a letter instantaneously to another city or even another country. Indeed, the average American now consumes about twice as many goods and services as families did in Weaver's day--and he thought his contemporaries enjoyed an extremely high and unprecedented standard of living! (We might well say the same today: Studies of household consumption show that *poor* families today live very much like *middle-income* families did in the 1950s in terms of housing and amenities.)

A devout Southern Baptist husband, and father of two, Weaver was no materialist. He would not (nor should anyone) interpret the mere possession of conveniences and luxuries as proof of social well-being. At the same time, however, Weaver lacked the elitist's disdain for the importance of material comfort. He carefully studies human nature, specifically consumer preferences, and understood the revolutionary impact of economic progress on the lives of the middle class and poor. Nor did Weaver have much patience for those who tried to interpret American progress in ethnic or racial terms. "That sounds fine in after-dinner oratory and goes over big at election time," the

Georgia native wrote perceptively, "but the argument is difficult to support. Our own ancestors, including the Anglo-Saxons, have starved right along with everyone else." Instead, Weaver argued, the mainspring of human progress was freedom itself. The United States, by allowing the most individual freedom to produce goods and services and sell them to consumers for profit, had unleashed the greatest degree of invention and ingenuity, resulting in social benefits for all.

In Weaver's time, this simple statement of the virtues of a capitalist economy, while increasingly rare in the ivory towers of American academia, was hardly incongruent with public sentiment. During the 1940s and 1950s, most Americans held business as an institution in high esteem (as well as, it should be noted, other institutions such as government, organized religion, and the press). The media, too, often viewed business and corporate leaders with at least equanimity, if not actual approval. Media analysts Robert Lichter, Linda Lichter, and Stanley Rothman point out that many television and motion-picture plots of the 1950s featured businessmen in positive, sometimes heroic roles. Wise, honest, and trustworthy fathers Jim Anderson of "Father Knows Best" and Ward Cleaver of "Leave It To Beaver" were an insurance salesman and an accountant, respectively. Nick Charles, "The Thin Man," was a publisher. Herbert Philbrick, the hero of the popular 1950s TV adventure series "I Led Three Lives," was a pipe-smoking advertising executive, a Communist Party worker, and an FBI counterspy. Bruce Wayne, a.k.a. the

Batman, was a wealthy industrialist. Even into the 1960s, television series continued to portray those in business as "good guys." Westerns were one surprising source of positive images about business: Remember that Ben Cartwright of "Bonanza" ran a sprawling ranching and mining empire on the family's 1,000-acre Ponderosa estate?

In most cases, however, while these business characters were portrayed positively, they were rarely portrayed in the actual practice of doing business. The Beaver spent little time at his father's accounting firm. Bruce Wayne even donned a mask and fought crime at night so as to distinguish the Batman from the CEO of Wayne Enterprises. There were some notable exceptions. The hit 1954 film "Sabrina"--in which brothers played by Humphrey Bogart and William Holden vied for the affections of Audrey Hepburn--has several memorable scenes with both major and minor characters bouncing up and down on a new plastic, to be manufactured out of sugar cane and sold by Bogart's and Holden's family firm. Holden, a hedonist with little interest in business, asks his workaholic brother why he was spending so much time dabbling with plastic rather than having fun, "What will that prove?" he demands, pointing to the strip of plastic. Bogart replies:

Prove? Nothing much. A new product has been found, something of use to the world. So a new industry moves into an underdeveloped area. . . People

who never saw a dime before suddenly have a dollar, and barefoot kids wear shoes and have their teeth fixed and their faces washed. What's wrong with the kind of an urge that gives people hospitals, libraries, baseball diamonds, and movies on a Saturday night?"

Needless to say, if Weaver had lived long enough to see "Sabrina," he would have rooted for Bogart's crusty but insightful businessman over Holden's irresponsible playboy. Nor would he have been alone. Movie audiences were *supposed* to root for Bogart, who gets the girl in the end (while Holden learns responsibility and prepares to shoulder his weight in the family business).

The Backlash Against Business

But even in the comparatively conservative 1950s, there was a significant undercurrent of skepticism and revisionist thinking about the role of business in society. These ideas flowed through universities, and bubbled up through the legal system in a series of court decisions that redefined the purpose and responsibilities of the American corporation. Social movements, responding to problems such as racial injustice and environmental degradation, began to view business as a corrupt, amoral institution in which a few greedy individuals profited at the expense of the broader community. By the 1960s and 1970s, the undercurrent of revisionism about business became a raging river of criticism, protest, incriminations, and hostility.

The mass media both reflected and influenced these public

perceptions. Investigative journalism became an heroic, even romantic, calling, with the name of the game being to "catch greedy corporations in the act" of polluting the water, selling shoddy and overpriced products, exploiting workers and families, and sacrificing the public's health, safety, and welfare to make a quick buck. On television and in the movies, business executives increasingly became the villains, to be challenged by heroic lawyers, policemen, reporters, and activists. In a study of the top 100-grossing films selected from *Variety* listings, researchers found that nearly nine out of 10 business characters were portrayed positively before 1965, but two out of three were portrayed negatively thereafter. After 1975, the proportion of negative business characters rose to three out of four. Such films as "The China Syndrome," "Norma Rae," "Silkwood," and "Wall Street" might serve as examples of this trend, in which antisocial or even criminal corporate behavior could be challenged only by the heroic actions of crusading lawyers and journalists or brave whistleblowers. Lichter, Lichter, and Rothman found the same pattern for television characters. While small business owners were treated about the same over the decades, the percentage of big business characters portrayed as villains rose from 31 percent before 1965 to 58 percent afterward. The authors compared, for example, the positive portrayals of the Cartwright family in "Bonanza" to the largely corrupt and immoral Ewing family of "Dallas."

Public sentiment, influenced by social activism and media

images, also began to change toward business. In 1965, almost 60 percent of Americans believed that businesses made a "reasonable profit," vs. 24 percent who thought businesses made too much. By 1975, the trend lines had reversed--more Americans calling profits excessive rather than reasonable. Even in 1939, as the economic stagnation of the Great Depression lingered, 56 percent of Americans said that the interests of employers and employees were "basically the same," while only 25 percent said they were opposed. But by 1994, more Americans thought the interests of the two groups clashed than thought they coincided. Much of the change has occurred in public perception of big business; in one 1992 poll, 64 percent of Americans rated the moral and ethical standards of small business owners as excellent or good, while only 31 percent said the same about "business executives."

It was during this same period of social upheaval and changing media images about business that a movement began among business scholars, journalists, issue-oriented activist groups, and some corporate executives to shift the goals and principles of American business away from a focus on profits and return to shareholders and toward serving the interests of a broader constituency of so-called "stakeholders"--workers, customers, neighbors, and society-at-large. Variouslly called "corporate social responsibility" or "socially responsible business," the modern movement is dated by many of its adherents to 196=53, with the publication of *Social Responsibilities of the Businessman* by Howard Bowen. In 1963, a textbook for colleges and universities

by business professor Joseph McGuire appeared, entitled *Business and Society*, and by the 1970s the field was a full-fledged academic discipline, which could boast programs in major business schools and dozens of major books.

Of course, corporate social responsibility as an American movement in the latter half of the twentieth century is only a modern manifestation of an older, even ancient, debate among philosophers and theologians in many lands and cultures about the morality of commerce itself. Is economic competition the enemy of compassion and community? Is commercial activity a necessary evil or a desirable good? To whom do traders and merchants owe their loyalty? Do capitalists exploit their workers and the poor? Is it moral to sell basic human necessities at a profit? The greatest thinkers of human history have wrestled with these questions. Aristotle wrote about trading and business profits in his *Nicomachean Ethics and Politics*. Major portions of Old Testament books such as Deuteronomy contain rules for ethical business practice. Adam Smith's *The Wealth of Nations* is usually thought of as a treatise on economics, but it also discusses in depth the social context and impact of commercial activity. Smith was, after all, a theologian and ethicist, not a businessman or economist. Karl Marx was no economist, either, and had never set foot in a factory, but his critical analysis of business behavior changed the course of history.

In the United States of the late nineteenth century, the

issue sharpened as defenders and critics of the so-called "robber barons" clashed over the role of profit, exploitation, and immoral business practices in the development of the West, the growth of industry, and the accumulation of vast fortunes. Over the next century, the debate about such controversial businessmen as Cornelius Vanderbilt, Leland Stanford, Jay Gould, J.J. Hill, J.P. Morgan, and John D. Rockefeller continued to rage. Were these men exemplars of the evils of unfettered, greedy capitalism? Were they, instead, great innovators whose impact on society justified their wealth?

This debate continues today in academia and among political elites. But the argument for the moral and social value of business needs to be carried further to average Americans. One Roper organization poll in 1991 asked respondents to rank the responsibilities of business. At the top of the list were both tasks Americans believed corporations were doing well (such as "producing good quality products and services" and "protecting the health and safety of workers") as well as tasks Americans believed corporations were doing poorly (such as cleaning up pollution). Lower on the list of perceived business responsibilities were "developing new products and services" and "keeping profits at reasonable levels." Neither omission is surprising. The innovation and invention inherent in business, and so crucial to social progress, rarely gets much press or public attention. And on the latter point, Americans have for many years exaggerated the size of corporate profits, telling

pollsters that they believe the average profit of U.S. firms is 34 percent when in reality it is only about 4 percent.

Whether business can and will be viewed as a positive force for good in our society is a matter of great importance if free enterprise is to survive and thrive. Henry Grady Weaver, in the heady and unsettling days after World War II, understood this well. Writing about great American entrepreneurs such as Eli Whitney (the father not only of the cotton gin, but of much of mass production itself), John Deere, Thomas Edison, and Henry Ford, Weaver pointed out that their contributions to American society were far in excess of that of many political or military leaders better known to the public. Indeed, even early American political heroes such as Benjamin Franklin, Thomas Jefferson, and Thomas Paine were important inventors and entrepreneurs in their own right.

Americans were and are an inventive people, Weaver wrote, because of the very system of free economic competition based on profit and reward. "No matter how much money John Deere may have made, it would be insignificant in comparison with the tremendous overall benefits shared by millions of people" from his innovative steel plow that made prairie agriculture, and thus westward expansion, viable, he observed. "It's just possible that good ole John Deere wouldn't have bothered his head about the plowing problem if he hadn't been living in a free country, where an ambitious blacksmith had a chance to become a prosperous manufacturer."

In reality, the business world is populated more by heroes like John Deere than by the villains who make the morning newspapers, are vilified on the evening newsmagazines, or who act out Hollywood's unrealistic and silly fantasies about American society. Weaver's classic work showed how the real story of American business can and should be told.