

A Businessman-Philosopher Considers the New Millennium

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I chose my title—"A Businessman-Philosopher Considers the New Millennium"—a few months ago. But when I saw it printed on the invitation, I was, well, completely intimidated. For in the interim I had read a wonderful book entitled *The Year 1000*,¹ describing what life was like in England at the turn of the *first* millennium. It was a world so far removed from how we live our lives today as to cow any mortal fool in 2000 from opining on what lies ahead for us in the *next* millennium.

The centerpiece of *The Year 1000* is a document known as the Julius Work Calendar, laboriously written, colored, and sketched around 1020. It describes people very much like most of us, ordinary human beings cheerfully doing their daily work, but in an environment vastly different from ours. Life was primitive and simple, clothing sack-like and without buttons, and labor entirely manual, although the heavy plow was revolutionizing agriculture. Life was short; expectancy then in the 40s, the venerable over 50. The church and the throne were the most powerful instruments of English society, and the saints were the heroes and heroines of that ancient age. For nearly all citizens, the only world they would ever know lay within a few score miles.

Life in America in 2000 would have been unimaginable to them, just as life in the year 3000 is unimaginable to us. In 1000, had they a moment for reflection after their day's labors were done, most thoughtful citizens surely assumed that their world would little change. They could not possibly have dreamed of the upsurge that was to come in material wealth; or the remarkable advances in education, science, medicine, transportation, communications, agriculture, and manufacturing; the advances in, well, *everything*.

¹ By Robert Lacey and Danny Danziger.

Today, we who live in the United States of America—and above all, we in this auditorium who have enjoyed lives privileged by dint of birth, or luck, or grit—live in an era of extraordinary abundance. Food, clothing, and shelter of incredible substance and variety; comfortable transportation at our fingertips to go to the store, the city, across this great nation or around the globe, and in a matter of hours at that. Conveniences from the magnificent to the trivial, entertainment in abundance, unlimited information at our fingertips simply by pressing a computer key or two, health care that gives us life expectancies, not in the 40s as at the first millennium, but in the 80s . . . and lengthening.

Unlike our millennial predecessors, however, we have no reason to expect life to continue as it is. We are truly in a new era of technology and communication—call it The Information Age—that is changing almost everything we do and how we do it. An economy that was once local, then regional, then national, is now truly global. “Where it will all end,” using the TIME magazine literary style, “knows God.” So rather than trying to forecast the future, I’d like to focus on the sources of our progress, some of the challenges our society faces today, and, tentatively, some ideas for meeting these challenges.

Education, Enlightenment, Democracy, Capitalism

The most important forces leading to the remarkable development of the world during the past millennium, it seems to me, have resulted from a combination of man’s education, enlightenment, and determination to seek new frontiers; the rise of democratic government; and harnessing the power of capital—human, financial, and corporate. As it was essentially described in *The Wealth of Nations* by that remarkable 18th Century Scot Adam Smith, capitalism was the linkage of the invisible hand of competition, individualism, and capital to create economic value. But to me, his preceding book, *The Theory of Moral Sentiments*, was at least equally important, for it is there that Smith argued, *It is reason, principle, conscience, the inhabitant of the breast, the man within, the great judge and arbitrator of our conduct. . .who shows us the propriety of reining in the greatest interests of our own for the greater interest of others, the love of what is honorable and noble, of the dignity of our own characters.* For Adam Smith, the worldly philosopher, the creation of wealth depended on the goodness of man.

I imagine that few other businessmen share my perspective on Adam Smith. Indeed, it was not so long ago, really, that President Calvin Coolidge famously said: “The chief business of

America is *business*.” When he expressed that thought in 1928, it was during an environment very much like that we’ve enjoyed in recent years, with the economy vibrant, the stock market booming, and confidence—even greed—in the driver’s seat. But the unreconstructed idealist who stands before you today would transpose that sentiment: “The chief business of business is *America*.” For if business—our remarkable system of entrepreneurship, innovation, capital formation, and financial markets—can properly claim considerable credit for the *creation* of America’s extraordinary abundance, surely it is business that must stand up and be counted in the *resolution* of the challenges our society faces today.

For all of our nation’s success, we face a litany of monumental problems that, left unattended, will sully our role as the hope of the world. Consider the huge gap between the rich—and compared to the median per capita income of \$1,400 per year in the rest of the world, that’s us and just about every one we know—and the poor, 34 million U.S. citizens living below the poverty line. Consider crime. Yes, we read it’s way down, but even with nearly two million citizens already in jail, we are building 137 new prison cells every day. Our imprisonment ratio—one in every 100 adults—ties us with Russia as the world’s highest. Hardly unrelated to poverty and crime is the rampant use of drugs in our society, a business approaching \$100 billion in annual volume. Its most baneful effects are not limited to the underprivileged. Drug abuse has probably already touched—or one day will touch—every family in this room.

While these problems transcend race, we live in a society in which our nation’s minorities are most heavily affected by poverty, prison, and drugs. Racial inequality is America’s most serious problem, and we have miles to go before we will have created equal opportunity for all. Far too little effort is given to how we will deal with these inter-related challenges. To begin the journey, we must reaffirm in practice the powerful words of Abraham Lincoln: *With malice toward none, with charity for all, with fairness in the right as God gives us to see the right, let us strive to finish the work we are in (and) bind up the nation’s wounds. . .*

Our endangered environment—the food we eat, the water we drink, the very air we breathe—is yet another challenge. We in America are surely doing our share to cause the problem. With 4% of the earth’s population, we consume 26% of the world’s oil, and send its residues spewing out into our air. While the case for the existence of global warming may not *quite* be proven, our creation of ever-less-efficient automobiles (technically, to avoid the anti-pollution laws, light trucks) and the political outcry for *lower* gas taxes simply fly in the face of

common sense. “Earth Day” is wonderful. But it’s not nearly enough. For in Theodore Roosevelt’s timeless words: *We must treat our natural resources as assets which we must turn over to the next generation, increased and not impaired in value.*

One more challenge comes from America’s global role. While America has become the policeman to the world, I wonder whether a *Pax Americana*—any more than an earlier *Pax Britannia* or the ancient *Pax Romana*—can long endure in this era of rapid change. We also now confront new forces of evil, terrorists with growing access to nuclear bombs and the dangerous weapons of biological warfare who lurk around the globe and would happily destroy everything we stand for. Our self-defense is essential, but we cannot stint on the resources we must dedicate to mitigating the obvious imperfections in our society. Our endurance as a nation depends not only on our military strength, but on living up to our ideals of democratic freedom, individual liberty, and the right of each one of us to “life, liberty and the pursuit of happiness.” We must be seen, not as a greedy global bully, but as a magnificent city on a hill toward which the world looks, not merely for economic strength, but for moral leadership.

Business: Bread and Circuses

In the face of all of these challenges, however, the business of America today seems far too focused on business—greed and the accumulation of personal wealth. Indeed, our considerable excesses are all too reminiscent of the bread and circuses that presaged the decline and fall of the Roman Empire 17 centuries ago. Here’s the way the head of one of America’s largest entertainment and media companies looks at the corporation he leads: *We have no obligation to make history. We have no obligation to make art. We have no obligation to make a statement. To make money is our only objective.* While his company’s stock hasn’t done so well of late, he, of course, is doing fine, having banked a total compensation of \$673,645,000 during the past five years. So much for bread, as it were. As for circuses, one need only observe the stock market tumult on CNBC, or the garish eight-story NASDAQ MarketSite Tower displaying stock prices in Times Square on the world’s largest video screen, and wonder whether it isn’t *casino* capitalism that is now astride the saddle and riding mankind.

Wouldn’t our nation be far better served if American business turned its focus from bread and circuses toward a broader view of its responsibilities? Yes, of course the issues I’ve discussed seem intractable. Yes, we’re all too focused on doing whatever we must do in our own

daily busyness. But if business has been the engine, and businessmen the beneficiaries of America's incredible worldly success, surely business and businessmen have the duty to use some of their resources and their extraordinary ability for innovation, organization, and reaching new frontiers to help to build a better world. Such a commitment requires little more than an enlightened sense of self-interest, a combination of Adam Smith's economic philosophy that fosters the wealth of nations with his moral philosophy based on honor, dignity, and nobility. American business *must* make America its business. *What profiteth a business if it gain the whole world yet lose its own soul?*

The Role of Education

If there is a single force that can build a better America and, correlatively, a better world, we all know what it is: Education. Education is the foundation of knowledge and discovery, of morality and motivation. Yet American education is far behind where it ought to be. Relative to other developed nations, our ranking in mathematics and science and language is no better than mediocre. Worse, we have an underclass of young American citizens who, at tender age, are almost estopped from *ever* fulfilling a productive role in society. Nearly 40% of fourth graders cannot pass basic tests of reading ability. One of nine high school students fails to graduate. One-third of our teenagers never enter college. Yet we all know, more than ever in this new age of information, that a well-educated populace is the very foundation of democracy.

And I speak not only of the universal education sought by Adam Smith in *The Wealth of Nations*, education in the applied mechanics of modern life, reading, writing, and arithmetic, craftsmanship, and now computer literacy. Important, indeed essential as they are, we need more than that. We need a populace with at least a passing familiarity with history, philosophy, and literature; the entire panoply of the liberal arts. And citizenship, values, and ethics too. For lacking moral purpose, even a liberal education will fail to perpetuate the great values of our Founding Fathers that led to the Declaration of Independence and the Constitution, those instruments of scholarship, creative imagination, and moral genius that have served our nation so well for more than two centuries.

How, you ask, are we to respond to this huge challenge? There is only one truly American answer: Together. Together, business, academia, the professions, government—we the people—must work to build a more perfect Union, beginning with our public school system.

It will require more of our national treasure, and business must do its share, committing its energy, its people, and its capital. It is a wise investment, for given the linkage between education, employment, drugs, and crime, the long-run cost of *not* investing—the cost in lost productivity and in dealing with social upheaval—will far exceed the cost of the commitment to public education our nation clearly requires.

But let me remind you that we can't leave all the problems to others. "We the people" includes "we." Everything in life begins with an individual action, and I will go to my reward unshaken in my belief that even one person can make a difference. We can begin by supporting the splendid independent education that is so close to us—here at Shipley and, if I may, at Blair Academy as well—not only the best that money can buy, but, even more, an education that communicates and reinforces a sense of moral commitment, social virtue, and community responsibility—a compassionate participation in the world. It is these ideals that will truly enable America to live up to her heritage and remain the light of the world.

We must all do our part, not the least of which is striving to develop in our youth the great values of America. Today America cries out for enlightened moral leadership at all levels, from the Presidency on down. Today, we have considerable room for improvement. But our greatest Presidents have illuminated our values, strengthened our determination, and reinforced our national character. The spirit of spirited Americans—Abraham Lincoln, Woodrow Wilson, Theodore Roosevelt, Thomas Jefferson, Thomas Paine—must continue to set our standard.

Back to Basics

While the world has changed radically in 1000 years, however, what we as parents and grandparents want from our time on this earth has changed very little. Even as we want our posterity—our children and our children's children—to have healthy, productive, fulfilling lives as good citizens of a great nation, so too did a parent-poet-philosopher whose ancient words are quoted at the end of *The Year 1000*. Entitled "The Fortunes of Men,"² his poem—a meditation on fate—first dealt with the beginning of life:

² I know you understand that "man" was the accepted formulation of the day, and meant "humankind."

*Often as again, through God's grace,
Man and woman usher a child
Into the world and clothe him in gay colors
They cherish him, teach him as the seasons change
Until his young bones strengthen and his legs lengthen.*

Then the poet dealt with the hazards of life that follow birth, as abundant then as now, if very different:

*Hunger will devour one, storm dismast another.
The sword's edge will shear the life of one.
One will drop, lifeless from the high tree.*

And, then he turns to the rewards of life, stated in the terms of those now-forgotten days.

*A young man's ecstasy, strength in wrestling.
Good fortune at dice, a devious mind for chess.
One will delight a gathering; one settle beside a harp.
One will tame the arrogant wild bird,
The hawk on the fist, until the falcon becomes gentle.
At the Lord's feet, he hands his treasures.*

Surely, as this millennium begins, we have the same sense of the world—"an inner questioning along with the stoic spirit of destiny that inspires men and women to keep on battling with the realities of life"—as expressed by that poet from *The Year 1000*. Hope, as Alexander Pope assured us, springs eternal.

Of course we have *more* today, more information, more health, more wealth, more convenience. God knows we have more *things*. But what we really need is the reinforcement of our spirit and our moral values, more wisdom, more fortitude, more good humor, grit, and philosophy, more common humanity toward our fellow man. If I'm right about the challenges we face in America and the world, we shall need this reinforcement. One hundred years ago, Woodrow Wilson said, "a new age is before us, in which we must lead the world . . . the spirit of the age will lift us to every great enterprise, but the ancient spirit of sound learning must also rule." And so it is this evening, as we enter a new millennium.