

"Business Had Vision . . ."

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Secretary of Commerce in an address before
the Convention of Associated Grocery Manu-
facturers of America

WITH the beginning of the depression in 1929 an inexorable shadow of eclipse began to move slowly across the American business and industrial system. Major emphasis was placed on what was bad and undesirable to the virtual exclusion of what was good and desirable. . . .

These and other circumstances created a complex situation which, strongly affected by a depression public opinion, functioned to make business the "scape-goat." . . .

But business leadership generally in those years displayed greater vision and ingenuity than did the leadership in many other fields, including those of Government and finance. Today, in the aftermath of this indictment of business to which I have alluded, there still prevail misconceptions and misinterpretations concerning business which must be eliminated if recovery is to receive its full and effective impetus. I refer, for example, to allegations that "badness" is an inseparable counterpart of "bigness" and that a constant curb must be maintained against business profits.

I am convinced that, if we are to be motivated primarily by the assumption that bigness must be penalized and restricted merely because of its size, broad and penetrating recovery will be impossible. . . .

The incentive to build and construct on a large scale basis has been one of the greatest assets in the development of our nation. Economically, we are three or four nations in one. In an economy of these characteristics, interstate commerce is mandatory to maximum effectiveness and progress. Interstate commerce begets bigness. The one process is not possible without the other mechanism.

But human experience reveals the tendency to exploit as size and power increase. Some abuses of this power have set society against bigness. The misdeeds of a few have brought an indictment against the many. Thus, today, as a basic objective, we are faced, not with the problem of eliminating or continuing big business enterprise, but with the question of how the normal growth and development of business and industry, in accordance with our extensive and diversified economy, can be directed most effectively for national, social and economic progress.

Business profits cannot be penalized or the profit-and-loss system will suffer with a bad case of *angina pectoris*. Businesses making profits during the depression have been held up to censure because it was pointed out that millions were unemployed, while some companies were actually paying dividends. This contrast is unfair. As long as we maintain our present capitalistic system, and it will be maintained, no obstructions or deterrents must be permanently set up to prevent fair and reasonable profits.