

Let's Stop The Nonsense

Address by

Gilbert W. Fitzhugh

Chairman of the Board

Metropolitan Life Insurance Company

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Highlights From the Text

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"I cannot believe that if people really understood inflation to be the tax that it so surely is, they would feel any differently toward it than they do toward other more obvious forms of taxation."

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"There are those among us who would have us forget our heritage; forget that, with all our faults, we have accomplished more for more people than any other nation in the history of mankind."

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"Our biggest task today is to not let ourselves be conned into tossing aside all the attributes that have made us great in favor of new slogans and pressures for instant paradise."

Let's Stop The Nonsense

It is a privilege and a pleasure to be here with you today. In considering what subjects might be of most interest to you, I found myself with a staggering array of issues demanding attention. As all of them involve people and their problems, I was tempted to title my talk "I'm Tired of the Human Race," or "A Plague on All Our Houses."

It seemed to me that many of our problems are man-made, and arise because so many of us have turned our backs on the time-tested virtues that made our country great, in favor of slogans and catch-phrases that seem to promise instant solutions to long-standing problems. There's nothing new in trying to avoid choosing a path that involves personal difficulties or inconvenience by adopting a nice-sounding slogan. What is new is the frightening escalation in the number and extent of these self-deceptions, and the assumption that change and innovation automatically bring improvement—without considering what the real and lasting results of such change might be.

Seduced by Slogans

In the process of devising slogans, words are twisted out of all resemblance to their real meaning. We are ruled by semantics. The test seems to be "does it sound good?"—not "does it result in a better answer or an improved way of life?" Consider words and phrases like relevant, meaningful, doing your thing, telling it like it is, consumerism, truth-in-packaging, permissiveness, academic freedom, The Establishment, job action (or rather inaction), Women's Lib, New Economics, full employment, full employment surplus, revenue-sharing, right-to-work, right-to-health, guaranteed minimum income, power to the people, trade-off between inflation and unemployment, or even words like liberal or conservative, Republican or Democrat. Depending on each person's predilection, each of these phrases denotes something "good" or something "bad." But just think how much of both good and bad has been put forward under the banner of any one of them. How close an analysis will they stand?

Somehow, individually and collectively, we must learn not to be seduced by slogans, but to take the time, patience, trouble, and hard thinking necessary to consider each proposal on its merits, not on whatever high-sounding slogan it is clothed in. It is sobering to think of what Hitler and Stalin almost accomplished by exploiting the technique of The Big Lie—repeat it often enough and loud enough and it begins to have an aura of truth. Isn't it time to stop kidding ourselves? Let's stop the nonsense.

Obviously, change is and should be the order of the day. Many things in our society need changing. But let's be sure a change is an improvement—not just for a few people today, but for the nation as a whole over the long pull. Priorities must and do change. The ways

we do things change. But we will lose our way if we don't hang on to some basic principles that don't change.

The fundamentals I'm talking about can be summed up in two of the most old-fashioned virtues of all—hard work and thrift. No sage has yet discovered how a country can have more unless it actually produces more. Just creating more money or consumer credit, or paying more money for the same work (not to mention less work), cannot produce more goods or services—nor more environmental or ecological improvements. It merely raises the price of what we're already producing.

Old-Fashioned Virtues

More of what we all want—material goods, improved air and water, or whatever—can only be produced by more work, harder work, or more efficient work. Efficiency, in turn, can be produced by smarter and more conscientious workers, better management, and more labor-saving machinery. More labor-saving machinery, in turn, comes primarily from more inventions and ingenuity and more invested capital made possible by more savings. So our two old-fashioned virtues of hard work and thrift emerge as the heroes of progress made and progress to come. And no amount of rhetoric or thunder on the left or the right can change that immutable fact.

Why, then, is it so difficult to persuade people of such a fact? Simply because people are people. Hard work and thrift obviously involve —hard work and thrift. I guess none of us would mind getting everything we want without such-unpleasant preliminaries. So we become susceptible to the siren songs of inflation, however camouflaged, overextension of credit, and let "George" (usually the Government) do

it. Unfortunately, "we" means all of us—businessmen as well as unions, workers as well as politicians. In other words, you and me. And the nonsense won't be stopped until you and I decide we really want to stop it—every last one of us.

Perhaps it is because I am in the insurance business, where individual responsibility is so important, that the lessening of the role and responsibility of the individual is high on my list of concerns. It appears to me that, in a sense, we should become more and more a "SELF-ish" country—more self-discipline, self-determination, self-control, and self-responsibility. (I'm sure you recognize my twisting of the meaning of the simple word "selfish" as an attempt to be "with it" with the current generation of word maulers. If you can't lick 'em, join 'em.)

I am apprehensive about the tendency to view one's company, one's community, one's state, or one's country as the source of solutions to problems. Solving our problems will take time and work—and lots of both by each one of us, individually as well as collectively—and much more of each than our current crop of instant problem-solvers is willing to allocate to serious issues. The whole idea that people want immediate satisfaction, immediate gratification, immediate solutions, makes it imperative, in my view, that an aggressive campaign be undertaken to try and persuade them to view problems in the perspective of time and to help them recognize that, by the very nature of things, some problems cannot be solved quickly. I have often felt that too many businessmen concentrate too much on short-term results, and I'm afraid this failing afflicts politicians, too, as they constantly bear in mind the next election.

There is something we can do immediately, however, and that is to start moving in the right direction.

Educating the Young

Perhaps we should begin at the beginning, that is, with the youngest members of our society and our educational system. We have a very serious responsibility here, and we must not be overwhelmed by the noise of some young people, or even the restrained dissatisfaction of many others. On the subject of strident voices, I pause a moment to suggest that it stands to reason that decision-making in this country, or in any other country for that matter, is not going to be apologetically turned over to students amid deep bows acknowledging their singular ability to discover truth. A lowering of the decibel level would probably be helpful to the young people themselves as well as to everyone else. There seems to be a beginning of understanding of this fact among more and more students. In fact, there is considerable evidence that most students need and want understanding, but firm, guidance. In many cases they seem to be ahead of the faculty and administrators in this basic understanding. Let's do what we can to further mutual understanding with both faculty and students.

This means we must live up to our own obligations to reach the young with the guidance and example they deserve. One of our jobs, not necessarily as businessmen but as adults, is to help young people establish some continuity in their thinking—in a sense, a continuity of perception. They look behind them and focus not on the firm foundation that they have inherited, but on its flaws. They look ahead and think they see what they want to achieve without really knowing how. But there is no continuity. Somehow, they fail to recognize the

bridge connecting what is behind with what is ahead—the bridge of today, upon which they stand unencumbered, enjoying the luxury and the awesome responsibility of choosing alternatives. It is our responsibility to help them choose wisely. These young people are not dull. It is not that they are unable to understand—so the message must have foundered in transmission.

Two areas need special attention. One is the college and university campus where, as already noted, there are signs of improvement. The second is the serious social and family problems of children brought up in broken homes, in families who have become discouraged with today's society, and children who have dropped out of school at an early age. These problems, which seem more intractable than those of the colleges, indicate the need for reaching further and further down the age ladder, with specific means of helping young people cope with the rapidly changing and sometimes dangerous external influences to which they are exposed today.

While the family, the community and others have responsibilities in these areas, the whole educational establishment needs re-orientation to its principal function—the development and improvement of the individual child, the student. Too much time and effort in the schools is being expended nowadays on what are really adult problems. These problems require attention, too, but ways must be found by which their solutions are not obtained at the expense of children's school time, at the expense of order in the schools, or at the expense of the quality of education being dispensed.

Benefiting From Innovation

Our economic system cannot afford to channel ever-increasing amounts of money into an edu-

cational structure that does not provide a proper return. The nation's school systems could benefit from innovation in both management and curricula. Business can help bring the fruits of innovation to both the physical plant, its layout and use, and to the educational process itself. It can put time and effort into studying and recommending quality improvements, from cost accounting on through the relationship between the curriculum and its actual application to the world of earning a living.

A solid understanding between businessmen and the educators regarding what children are taught and what they need to be taught would produce countless benefits. I have been advocating for many years a better liaison between the business community and the academic community. We have made some progress in this area, but we still have a long way to go.

The aim of both businessmen and the public in general should be to work through the schools and in other ways to help children understand the role they can play, to generate an interest on their part for self-improvement, and to instill in them the desire to become a part of productive society and the belief that they will have a fair chance to compete therein, regardless of race, creed, color, sex, or background. Improving the future prospects of children is the sure way to break the dependency cycle.

Perhaps the time is at hand for a re-examination of the whole concept of public education. Any way in which the spirit of competitive enterprise—the opportunity for choice—could be infused into the educational system would seem worth careful study, including what adaptations might be feasible in both the school and the tax systems to develop a flexible public-private system affording more freedom of choice to parents than exists today. Other pos-

sibilities deserving consideration are more flexible school calendars, more flexible daily schedules, and more efficient use of school and playground facilities by means such as two "shifts" of classes. There are also the very important areas of developing more economical paraprofessional assistants on the teaching staff, and of contracting out to private industry such nonteaching services as the provision of school lunches.

Objectivity and compromise are hard to come by in this area of strongly vested interests and subjective attitudes. But we must have both of these ingredients no matter how long it takes or how great are the obstacles to be overcome.

Poverty, Welfare, and Jobs

Another whole complex of problems in which objectivity is badly needed is that of providing assistance to those unable to help themselves—assistance which does not at the same time aggravate the problem itself and cause still other problems. The war on poverty is a just war but, like any other, its success depends on competent leadership, workable strategy, and a knowledge of where we are going and what we are trying to do. It cannot be waged by pious words, self-righteous critics, a search for scapegoats, and endless confrontation.

First, we have to get it squared away in our minds that even though their numbers are large, it is not the so-called "irreversibles" on welfare who pose the tangled problems. The old, the blind, the permanently disabled can be cared for fairly simply to the extent we as a people are prepared to pay the cost. Our real problems are those who could become productive members of society, or who are dependents of those who could—the family-type recipients who are ballooning in number and

causing the persistence of the welfare cycle, which is not only economically wasteful but corrosive to the human spirit of those involved.

Second, any program of welfare or income maintenance should be so designed that, wherever possible, it is understood to be a means of temporary relief rather than a way of life. To this end, probably the most important factor to be considered is a tie-in with job training programs and employment placement activities. Naturally, this would involve building into the welfare structure incentives to work and earn—and in the process to enjoy the feeling of responsibility and self-reliance which is the fruit of labor.

Of course, the jobs must be there, and the jobs must be respected for what they are rather than tossed aside as not meaningful because a path of instant ascendancy is not immediately apparent. Isn't any work meaningful if for no other reason than that it's an opportunity to earn a living and add to the productivity of our nation? Is it more "meaningful" to remain on relief or welfare?

The important thing is that, just as equal opportunity for education must be available to all our children, so must equal opportunity for employment and advancement be afforded all our adult citizens, again regardless of race, creed, color, sex, or background. And all of us must be sure our own sense of values is such that we respect the dignity and worth of each individual performing useful work, whether it be white collar or blue collar, manual, clerical, or executive.

What each individual does with his opportunities will, as always, depend upon his individual initiative and talents, and upon the other factors which make us all individual persons and personalities, and different from each other. A

reversal of the tendency to classify individual human beings into groups, types, or classes, and a rekindling of each individual's old-fashioned pride in his own workmanship and desire for personal excellence, could have an electrifying effect.

Economic Education Badly Needed

I wonder sometimes how many people really understand these things. It is not necessary to be a professional economist to understand that as a nation we cannot consume unless we produce, and we cannot produce unless the means of production are available, or to understand that these means will not be available unless someone has saved the money to provide them. Why then does it not follow that we must work and save, and keep credit within bounds, if we are to achieve sound long-term economic growth in this country? The whole idea of enjoy now and pay later can heap "credit" burdens on many people who would be just as well off, or perhaps better off at certain times, without them.

These facts of life must be made crystal clear to the American people.

The educators have their work cut out for them, not only in the schools but also among the population in general, and in their advice to those in government.

Government policymakers need to exercise extreme care in assessing the long-range impacts of their decisions on the country as a whole. Juggling of short-term advantages for some segments of the population, often at the expense of others, is not likely to produce the best long-run results for all.

Business must temper any all-consuming absorption with what the next balance sheet is going to show, and must do its part not to

encourage overextension of either business or consumer debt.

Workers should come to a realization of where their long-range interests really lie.

The public in general simply must be educated to the fact that we just cannot have unlimited amounts of everything all at the same time.

And as far as our elderly citizens are concerned, the biggest favor we can do them is to preserve the buying power of their pension dollars.

Now I'm right on target to zero in on the area where the American people need education today more than ever—the problem of inflation. I cannot believe that if people really understood inflation to be the tax that it so surely is, they would feel any differently toward it than they do toward other more obvious forms of taxation. No matter how much complaining goes on, we as a nation do not understand this, or it wouldn't be tolerated. Unfortunately, many people hope that they can beat the other fellow by getting on the bandwagon first. Of course, the other fellow then wants his, and we're off to the races.

Those of us who think we do have the facts had better sharpen our efforts to promote a more widespread understanding of the dangers of inflation, and muster support for the measures needed to curb it. If we don't, the costs of our plans for such achievements as adequate housing, improved health and medical care, viable municipalities, and improved environment, and a host of other hopes, will become so high that our plans and hopes will become mere exercises in futility.

Coping With Inflation

Our economy achieves sound growth through productivity gains in both the private and

public sectors. That in turn requires tax systems that enhance incentives for individuals and businesses to save and to invest, thus generating increased government revenues from rising real incomes received by workers, investors, and businesses. Besides providing a healthier and stronger base from which to draw government revenues, such a soundly expanding noninflationary economy is more likely to provide the optimum in lasting employment opportunities, as well as rising standards of living for all.

The private sector should help government achieve sound fiscal policies by encouraging legislators to adopt and implement them. It should also support sound monetary policies to reinforce government fiscal policy in the fight against inflationary forces. It is particularly important that these policies be maintained even after they begin to hurt. Everyone gives lip service to stopping inflation, but many will ask for so-called relief at the very time restraint needs to be maintained a while longer to have lasting effect.

It should go without saying that labor and businessmen have to exercise moderation in wage and price behavior, including pensions, profits, interest rates, and all other cost factors, to help us as a nation ease down from the excessive increases of recent years. Otherwise, the latter will eventually bring about a serious curtailment of economic growth and, as a consequence, a significant rise in unemployment. It cannot be too strongly emphasized that such unemployment would probably be much greater than any temporary unemployment involved in following sound policies. And the latter form of unemployment, such as we have today, is not so likely to be an outgrowth of moderating fiscal-monetary policy as such, as the result of rigidities in the wage-price structure. It is important that this be clearly understood by all.

Wage raises in excess of the trend in productivity bring undue pressures upon costs and price levels. The long-range solution is obviously to reduce the existing rigidities. This step is most important and very difficult. If this means restoring more equilibrium in the bargaining power of employers and unions, changing the scope of the bargaining units, outlawing restrictive hiring, make-work, and monopolistic practices by either employers or unions, and revising other laws involving employee relations and costs—particularly in the construction and transportation industries, and in public employee bargaining—then so be it. The Nixon Administration has made it plain that it understands the special problems in the construction and transportation industries, and the national construction unions seem to recognize them also. Let's hope that the future is brighter in these areas.

In a nutshell, there need be no long-run trade-off between stable prices and high employment. In fact, unless we have both, we're likely to have neither, resulting in the worst of all worlds—continuing inflation, high unemployment, and little or no real economic growth.

Solutions Can Be Found

There are, of course, many other serious problems needing attention—such as housing, transportation, racial justice, air and water pollution, law and order, prompt and fair administration of justice, the administrative machinery of government, and many others. I have discussed in other talks how I believe business and businessmen can help in the solution of some of these problems. In the short time available today, all I can say is that it is my firm conviction that much more progress can be made toward solving all of them, if we approach them

within the framework of the basic principles discussed today—particularly if each of us will select at least one part of one problem to which his own talents are best suited and do what he can as an individual to help solve it. Business as such, workers as such, educators as such, and government as such all have an essential role to play. But none of us can escape his own individual responsibility to do his part.

If businessmen are to assist government at the various levels, and if government is to meet its own obligation of creating and fostering a climate in which the private sector can function most productively, there must of course be a positive, constructive, and forward-looking relationship between them. We have a common stake in a growing economy. There are many areas that already benefit from cooperation between government and business, and doubtless more will emerge. There are also areas that could benefit by increased efforts by each segment within the sphere most appropriate to it. Each should do what it does best.

Reverting to the alternate titles I thought of for this talk, I confess that I am a little fed up with the amount of sound and fury that surrounds discussion of how best to achieve our social objectives. Our problems are not diminishing. We can ill afford any outlay of time, money, or energy that yields us no return.

And I am tired of constant calls for massive action, demanding that we go all out in this direction, or all out in that direction, without any regard for the very real limits of our total resources or how they can be most effectively allocated. We have no deficiency of action. But we have to remember that beneficial results do not automatically come from positive action, particularly thoughtless or ill-conceived action.

Why Forget Our Heritage

But I am not really discouraged with the human race, despite my temptation to use an eye-catching title for this talk. After all, I'm part of it—I hope. Somehow, Americans have al-ways found a way out of their problems, and I'm sure we haven't lost that ability. There are those among us who would have us forget our heritage; forget that, with all our faults, we have accomplished more for more people than any other nation in the history of mankind.

Our biggest task today is to not let ourselves be conned into tossing aside all the attributes that have made us great in favor of new slogans and pressures for instant paradise.

Those of us interested in making a serious try to cope with the economic and social problems our country faces today need not look far for what we must do. If, instead of just talking—or shouting—about what's wrong, we all work harder ourselves, especially if those of us who have the very heavy responsibility of helping improve the efficiency of others take our jobs a little more seriously, and if all of us cut out some of the waste and the nonsense, we'd at least be pointed in the right direction. What is needed is the personal involvement of each of us as individuals. Just contributing money or making speeches isn't enough. Instead of "Why doesn't somebody do something about it?" let's resolve—"Why don't you and I, every man-Jack and woman-Jill of us, do something about it—starting right now?" Only in this way can we begin to convert our country's Great Expectations into Great Accomplishments.