

Mr. Doan:

# WHAT'S RIGHT ABOUT BUSINESS?



Stan Chess, Cornell

Dear Mr. Doan:

Just once and for all—will business admit that it *does* make mistakes? Over and over again we see the major corporations stamping out criticism as they cover up flaws. Somehow the "ethics" always seem to get lost in the rhetoric.

Several notable cases come to mind, the most recent being the much-publicized affair of the General Motors Goliath versus Ralph Nader. Here Big Business exposed itself as being oversensitive to constructive criticism—as well as callous in its ignominious attack on its critic. Surely, while we don't expect Big Business to change its ways overnight, we can expect a rational reconsideration—and not merely a cover-up job.

Yet the Nader episode is not unique. One recalls a similar overreaction—and this time by the chemical industry—to Rachel Carson's exposé on indiscriminate uses of insecticides. The Big Business response to Jessica Mitford's eye-opening portrayal of the realities of the funeral business was equally bitter—not so much against her arguments in "The American Way of Death" but against the author herself. In none of these instances did business admit its imperfections on its own accord. Only public pressure—and the fear of continued negative publicity—was able to draw out the truth about auto hazards, bug sprays and casket costs.

It's instances like these that prove business is responsible for the myth that it sees only the facts it wants to see. It's instances like these that reinforce the image of business justifying any means that maximize the ends—the ends being monetary profit. It's as if Mammon himself had updated the business code of ethics.

Twentieth Century Big Business appears to be nothing more than a reincarnation of the Nineteenth Century stereotype, the Robber Barons. Jay Gould's stock-market rigging has its 1961 counterpart in G.E. and Westinghouse price-fixing. We have our Billie Sol Estes and our Bobby Bakers. Today's business covertly sanctions such noble practices as bribes, kickbacks, company callgirls and tacit collusion. The "ethics" of Big Business have created a business unto itself—industrial espionage. Here anything goes—from duplicated office keys to parabolic microphones. And even packaging frauds are becoming more and more blatant in today's age of the 10-ounce giant economy size.

Thus, when college youth are asked, "What's wrong with Big Business?", we answer most simply, "What's right with Big Business?" Very little, it seems.

Sincerely,

Stan Chess  
Journalism, Cornell

Dear Mr. Chess:

Big Business does not hold itself out as a sacred cow whose actions or ethics are not subject to scrutiny or valid criticism.

But in making value judgments of the "rightness" or "wrongness" of business, I question whether isolated instances are definitive criteria.

Critical judgments should be made in perspective with the phenomenal growth of our national economy since the end of World War II; a period during which our gross national product more than tripled from \$208.5-billion to approximately \$740-billion last year.

This growth has resulted from a continuous effort on the part of the business community to respond both to society's demands, and its needs. On the one hand, the constant demand for product improvement leads to better design and greater performance through advances in technology. Similarly, society's needs prompt extensive research for the development of completely new products—which create the additional profit-making opportunities essential for the nation's economic growth—while satisfying a social purpose.

The measles vaccine developed at Dow is an example. The benefits to society from planned inoculation programs multiply in astounding geometric proportions. Not only can the total incidence of measles be cut substantially, but also a far lesser number will suffer the crippling mental defects which before destined many to a life of perpetual care in institutions. Human lives are being saved, their useful purposefulness unimpaired, while millions of dollars are freed for reallocation to other uses.

The focus on profit-making products to serve definable social needs reflects the times just as the community's mores always affect standards of ethics. In this less-than-perfect society in which we live, the ranks of business, and government, and education, and virtually every other segment of the community, unfortunately harbor those who cheat and scheme to gain their personal ends. It's probably rather remarkable that our times have not produced more Billie Sol Estes and Bobby Bakers. But usually they are found out in short order. Neither I, nor any other responsible businessman, condone their actions. Certainly their conduct cannot be regarded as typifying business any more than the activities of the S.D.S. on various campuses speak for the majority segment of the student body.

Equally, an inquiry into press-sensationalized episodes of bribery, collusion, kickbacks and callgirls probably will reveal involvement of the same kinds of cheaters and schemers looking for a fast dollar. No company that I know condones this conduct. It simply does not represent the ethics of business, any more than does industrial espionage. Frankly, I think its significance has been quite exaggerated.

What it all adds up to is that most business enterprises, under the strict discipline of our competitive profit-making system, constantly are providing improved products and better service. In doing so they mirror the community—of which they are an integral part—both in the advances made, and in their standards of performance. In the course of this, mistakes, as distinguished from unethical practices, occur. I suppose that those who make them are no less reluctant to admit their mistakes, or to sustain public criticism, than people in other walks of life.

I am not acquainted with all the facts surrounding General Motors' issue with Ralph Nader, but it is a matter of record that James Roche, then President of GM, made a public apology on this matter before the Senate's Investigating Committee.

As regards Rachel Carson and insecticides, I will say that my own company had done research on the toxicology of insecticides long before the Food & Drug Administration voiced any concern in this subject. Research was not forced by Miss Carson's work. The chemical control of agricultural pests certainly has a direct bearing on the very critical question of world food supply. Such control measures, coupled with applied research by agronomists improving crop yields, constantly are increasing food supplies to meet expanding population needs.

I feel, therefore, that while your question as to "What's Right About Big Business" focuses on its conduct, rather than its accomplishments, real objectivity requires that both be weighed in balance. On this broad scale, then, business is pace setting the times in accordance with the community's needs and the ground rules of its environment.

Cordially,

H. D. Doan  
President, The Dow Chemical Company

## WHO CARES ABOUT STUDENT OPINION? BUSINESSMEN DO.

Three chief executive officers—The Goodyear Tire & Rubber Company's Chairman, Russell DeYoung, The Dow Chemical Company's President, H. D. Doan, and Motorola's Chairman, Robert W. Galvin—are responding to serious questions and viewpoints posed by students about business and its role in our changing society . . . and from their perspective as heads of major corporations are exchanging views through means of a campus corporate Dialogue Program on specific issues raised by leading student spokesmen.

Here, Stan Chess, a Journalism senior at Cornell, is exploring issues with Mr. Doan. With experience as a working reporter on the Long Island Press, and as Editor-in-Chief of the Cornell Daily Sun, Mr. Chess is pointing toward a career as a newspaperman.

In the course of the entire Dialogue Program, David M. Butler, in Electrical Engineering at Michigan State, also will exchange viewpoints with Mr. Doan; as will Mark Bookspan, a Chemistry major at Ohio State, and David G. Clark, Political Science MA candidate at Stanford, with Mr. DeYoung; and similarly, Arthur M. Klebanoff, in Liberal Arts at

Yale, and Arnold Shelby, Latin American Studies at Tulane, with Mr. Galvin.

These Dialogues will appear in this publication, and other campus newspapers across the country, throughout this academic year. Campus comments are invited, and should be forwarded to Mr. DeYoung, Goodyear, Akron, Ohio; Mr. Doan, Dow Chemical, Midland, Michigan; or Mr. Galvin, Motorola, Franklin Park, Illinois, as appropriate.