

cially our particular type of federal government, tend perhaps even more than democracy *per se* to deprive us of real leadership on the national plane. Our form of federal government, in contrast for instance to the Canadian, emphasizes the rights of states. This on the one hand intensifies localism of interests, as has been already noted. On the other hand, it affords entrance into the national area and access to opportunities for national leadership only when one has first come to identify himself with local interests and leadership and has become crystallized in that respect. Furthermore, continuance of service and of opportunity in the national area is contingent on continued representation of local interests and viewpoints. We select none of our national servants at large; even the President is chosen by discovering who can best convince the greater number of localities that he will represent their respective particular interests. And in the organization of the legislative and executive branches of the government we have set up a system of checks and balances which stifles leadership. How through such political channels can we secure leaders who have a truly collective point of view?

6. The nature of our industrial institutions has become such as to render almost impossible the emergence from that source of leadership with a collective point of view. The corporate form of organization has become dominant, and huge corporations have become numerous. When a young man enters into the service of a corporation he enters into a bureaucracy which has institutional ideals, aims and purposes; and a powerful though perhaps unwritten institutional code. Generally he realizes little opportunity for individuality and self-expression except insofar as these conform strictly to the institutional aims and bureaucratic code. The consequence is that few individuals in the service of corporations can, while they are still young and plastic, break through the restricting shell and stand forth as leaders unrestrained by particular interests. Nevertheless, before I am finished, I shall suggest that we must first look to industry for leadership at the present stage of our crisis.

7. The educational system of the United States has not been such as to promote that type of leadership which we have been describing as desirable in a democracy. At the present moment, however, there is some sign that the product of this system is becoming more realistic and independent in its thinking than has been the case in the last half century. The chaotic state of the environment in which the young and intellectually plastic find themselves in ever increasing numbers is perhaps producing its effects. There are evidences of questioning and of change in educational methods which may in turn result in the vision to lead.

The task of educating the whole population in this country had become so enormous and the influence of certain groups so important that education, like industry, was put on a mass-production basis. The result of this has been to develop the rubber-stamp, "me too" type of personality which conforms to a pattern instead of showing the boldness and initiative in thinking that are essential to both leadership and followship. The leadership which we need and seek can be generated, discovered and given its opportunity only by a group that records and analyzes its experience and defines its objectives on that basis. After the group has defined its objectives it must also have a sense for the means of obtaining them. In other words, it must be able to see in individuals those qualities of perception and definition which make possible the working out of the means of accomplishment of desired ends. There is today evidence of the emergence of an adult-education movement which should help to develop these group qualities.

Incapacity for Followship

I have considered at some length, although not exhaustively, why national leadership is so difficult to find in the United States. Another reason, so important that I consider it by itself, is a general incapacity among us for followship. There can be no leadership without followship; a leader, can be a leader only if he represents—is inspired and sustained by—a following group. Before we can have really national leadership the people of the United States must become capable of thinking nationally, and of rallying behind one or another leader who sees the collective nature of our problems and of their solutions.

Few of us are capable of thinking nationally. A diagnosis of the reasons for this would be essentially identical with our diagnosis of the reasons for scarcity of leaders. In fact, it is highly probable that if we as individuals had capacity for followship, leaders would automatically emerge when needed, for the conditions which promote effective followship likewise promote leadership. For reasons of convention I have set out to talk about the call for leadership when what I should have done was to label my address "The Call for Followship."

Perhaps we can get first our followship and then, as a by-product, our leadership, if more of us can be persuaded to recognize how real is our need.

The Nature of the Call

Without trespassing upon the discussions of the closing session of our meeting on Friday evening, December 9, to which this opening session is distinctly related, it is desirable to say something about the crisis which constitutes a call for followship and leadership.

There is warrant for believing that we are experiencing not merely a cyclic depression, which itself establishes a need for strong and able leadership, but also the beginnings of a prolonged disturbance resulting from a break in the secular trend. It is the latter that establishes the need for wise and heroic leadership. This break in secular trend is comparable in its dangers to that which seventy years ago culminated in open conflict between two sections of the Union. What makes the call for followship and leadership today so urgent is the plain fact that we must remove the risk of a future conflict which although perhaps different in form might be similar in essential nature.

Several new forces in our national development have come to focus during the past decade and the resultant combined force has caused what we call a break in the secular trend.

The first of these new forces relates to population. The closure of our doors to immigration has made significant the fact that we have for some time been experiencing a declining rate of increase of population, and are confronted by the prospect of a stationary or declining population which may be realized during the lives of the younger among you in this audience. At the same time the production of social income has been increasing at a rapid rate, and the potential production with available equipment is far beyond anything we have yet realized. This requires enormous readjustments in order to maintain the circular flow of production-consumption forces: such as equalization in the domestic distribution of social income; or rapid development of foreign markets; or radical restriction in agricultural and industrial production; or some composite of these. This is a problem which challenges the wisest and boldest of leaderships.

The second of these new forces relates to international finance and commerce. We have been a debtor nation. Recently fact has been apparently unkind enough to make us a creditor

nation: If we elect to remain a creditor nation what has been called a favorable balance of trade will have become unfavorable and what has been called an unfavorable balance of trade will have become favorable. To make the necessary readjustments will be a shock to our business structure as now organized. If we elect (and are able) *not* to be a creditor nation and therefore put obstacles in the way of the loan of surplus capital abroad, then we shall have forced its investment in upon our domestic market, the distribution channels of which are already clogged with a productivity which they cannot carry under present conditions. Or we may devise some way not now formulated of directing this investment upon the market in such a manner that it will not clog the channels of distribution, but that premises a policy and procedure which would be revolutionary. Here is a second problem which challenges the wisest and boldest of leaderships.

The third of these new forces is the most perplexing of all and is the major cause of dislocation of the secular trend. We have within fifteen years added a new increment of technology which has so enlarged the means of utilizing Nature's powers in production that in many trades old standards of measurement of the relations of the individual to productivity have become obsolete. We still distribute social income among the low-income classes, which purchase more than three-fourths of consumer goods and services, on the assumption that each should receive in proportion to his productivity before the day of high-powered production. As a matter of fact, the actual productivity of the high-powered equipment which he tends multiplies many times the productivity realized under the earlier conditions. The consequence is an increasingly uneven distribution of social income and savings; investment in productive equipment more rapidly than effective purchasing power is built up; technological unemployment; obsolescence of capital goods; a creaking and grinding of the commercial and industrial mechanism; and periodically a complete breakdown with consequent distress and misery and psychiatric disturbances of the collective mind. This problem is a challenge for the wisest and boldest of leaderships.

And there are other problems of a secondary nature. Many of the accustomed mechanisms of commerce and industry are functioning badly under the complicated conditions of modern business and increase the dislocation caused by the major forces. Our currency, banking system and control of credit are no longer suitable; the corporation as a legal form of organization has so evolved that it is unmanageable as a social institution; even our concept of private property, which from one point of view is a social mechanism, requires revision and redefinition to fit the present stage of industrial evolution.

These major and minor problems are all parts of a great composite problem; and together they constitute a challenge for the wisest and boldest and most energetic leadership to a solution as comprehensive as is the range of these related elements of the problem.

The Present Challenge to Business

The present challenge is to business to find us the needed leadership. The absence of any present collective leadership in business and the nature of past provincial leaderships in business are largely responsible for the present dislocation in the cultural trend. It is the responsibility of business to atone for past sins by establishing a socially-minded, constructive leadership. Even if the only way out is at what may short-sightedly be believed to be a cost to business the responsibility remains to lead us to a stabilized, dynamic society characterized by that plenty which it is technically possible for us to create and enjoy.

The obstacles to leadership to which we have called attention in the political area make it highly improbable that such wise and bold leadership as is required will soon arise out of that department of our life. Apparently effective political leadership can be expected in a democracy only when affairs have reached that stage of confusion when the very existence of the State is at stake. Fortunately, we are still far from that stage of confusion.

Although, as we have indicated, the bureaucracy of corporations has been an obstacle to the development in industry of creative collective leadership, yet if we consider as a group in our society those particular individuals who now occupy positions of power in industry, there is in that group a collection of natural abilities, a fund of experience, a knowledge of commercial and industrial technique, and a homogeneity which, had it the vision and the will to do, could give us the leadership for which we call. It could provide the leadership and automatically the nucleus of a followship. So great is the respect and admiration of American citizens for the past century of accomplishment of American business, that were our business leaders to provide the nucleus of a followship headed by a strong leadership, that nucleus would be joined by a great mass of citizens who sense our difficulty and are patiently waiting for the signal.

However—and here is involved both the vision and the will to do—that leadership must be distinctly in the general and not in any special interest. It must not look toward restricted production, price maintenance and other related devices aimed to conserve at any cost the equity values which have been unwisely permitted to be built up. The leadership we picture carries with it sacrifice rather than immediate advantage; immediate sacrifice for the sake of the ultimate advantage of not having to experience still greater sacrifice in the future.

It is difficult to understand why business should not accept this particular challenge, in view of the fact that it has given so many hostages in the nature of invested savings and has so much at stake. Its stake would be in danger of forfeit were confusion permitted to become more confounded, and discontent to become fatalistic, overt opposition to the police power of established society, in which case really effective and ruthless political leadership would surely come to the front.

Some Observations on Leadership

By IDA M. TARBELL
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DR. PERSON'S paper is an admirable and provocative analysis of the cry in everybody's mouth—the cry for competent leadership. He suggests a collective leadership made up of socially-minded business men, since the present crisis is supposed to be so largely due to bad business methods. They are to find and correct the causes of the present situation which he suggests may be a break in our secular trend. Under such a leadership could the broken fragments of national life be gathered up and made to function in some new way?

I am agreed that if it were possible at this juncture to select, regardless of politics or prejudices, a council of twenty "socially-minded" industrialists and charge them with making an honest and impersonal analysis of the causes of the present difficulties and devising means for preventing a recurrence of them, so far as they are national and not international (house-cleaning should begin at home) we would get at least impressive results. They might be so impressive that this country would recognize an oligarchy fit to rule and so order—I say "might!"