

Thesis.

Ethics Of Modern Business.

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Ethics Of Modern Business.

Introduction.

At the present time the business of the world has developed to such an extent, its field has become so broad and its influence so powerful, that the principles by which it is managed, the laws by which it is governed, and the effects produced by it should be a subject for careful thought and action by every intelligent person.

Necessity of ethical principles to a true industry.

That the world's population is not deriving much benefit from its gigantic system of industry, cannot be questioned for a moment. The advancement which it has wrought on civilization is not to be underestimated. But along with the good points of modern business, the thoughtful and observant person can not help but see, that at least from an ethical stand point, there are to be seen many faults which promise to be and are now, opposed to the continuous progress and

growth of individuals, of states, of nations, and of the whole world.

These faults do not continue to exist because of non-observation; nor because the great mass of people are not educated to a sense of honesty, morality and justice; but because of gross selfishness the powerless as well as the powerful are blinded to the present and future results of dishonesty, immorality and injustice, which under the law are considered a legitimate feature of modern business. It is not that the people of the present century, as a whole, do not agree that toleration, the "golden rule", and the spirit of brotherly love should be the guide in our business relations. But it is in failing to practice what they believe to be right that men come to fault. So long as we simply talk to a person about the benefits of a high standard, we are treading on safe ground; but let us attempt to apply the standard to the individual — and we have a reply from John Wanamaker as follows — "If I should charge brother-love prices now, I would be in the sheriff's hands in a few weeks." In other words, this great business man pre-

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fers to sacrifice principles which he knows to be right, rather than to diminish the profits which his store yields.

Departure from ethics in industrial life.

Our ethical standard of industrial life, in most cases is very high; but it is the departure from that standard, and the establishing of a new and lower one, which gives rise to injustice between men in business transactions. The trouble is, when they buy and sell, men cease to be brothers.

Average people.

We help to pay thousands of ministers to preach the brotherhood of man, we vote taxes and give endowments to support schools and colleges, that teach us to "love our neighbor as our self"; and then the student goes out of the college, the congregation (the moral element of the community) leaves the church, the minister comes down from the pulpit, and almost every soul of them goes into the produce and labor market and buys his goods for the

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least sum possible; and sells his product for the greatest number of dollars he can exact.

Students.

If a person would question the truth of the above statement, — let him watch various students bargain with a poor old crippled peddler, who drags himself over Manhattan, and see if some of them do not try to buy a ten cent-cant for eight-cents; or worse yet, when offered pencils for a penny a piece, try to get three for two cents.

Ministers.

Do you doubt whether a minister of the gospel should ever be counted in the list? If so, — some beautiful Monday morning in early May, take a basket in your arm, and have done, packed most neatly with perfectly juicy, tender asparagus; and clean crisp crinkly bunches of lettuce, and call at the parsonage. If the minister comes to the door — ask him if he would like to buy some fresh vegetables. How often he will put on a business look and tell you he does not know as

his wife came to buy any vegetables this morning, tho he knows she has told him to order vegetables for dinner. Then he will begin to examine the lettuce, slightly turn up his nose, and will then offer you exactly what he would have to pay down town, (for wilted vegetables) remarking, - "I can get them for so much a bunch at the market, and of course can not pay you more". If this is not vivid enough example of "applied Christianity" and business ethics, then go to your merchant and see how it delights him to accommodate his pastor with a bill of goods - on credit.

Perhaps we may gladly concede that such cases are not the rule, I am not so sure of that, but they are in mildest terms not exceptional. Yes - I know some say, "Don't look it"; and perhaps occasionally it is best for us to neither look to the right nor left. - But it does not prove true in general. The time is now here when men must take a broader view, be more open-minded, see that which is about them, - and if good cultivate it; if bad weed it out.

Business men.

Let me call your attention away from these

more familiar examples, to a few illustrations which demonstrates how far from a true moral standard many business men have wandered.

Boston Gas Company.

First, — we will notice the proceedings of what is known as the Boston Gas Co., in connection with the Bay State Gas Trust.

A capitalist by the name of Mr. Addicks of Delaware, goes to Boston and secures a franchise for the organization of the Bay State Gas Co., which in fact was Mr. Addicks. The work was commenced at once. The factory was completed; and a few pipes were laid, at a total cost of \$50,000. At this time, the Boston Gas Co. naturally became alarmed; so the manager called on the Bay State Gas Co., offering to make terms. They agreed that the Bay State Co. should make the gas, at \$1.00 per 1000 ft., and the Boston Co. should use their pipes, and sell at \$1.30 per 1000 ft. to their customers. The actual cost plus expenses and fair profit bring .60¢ per 1000 ft. The out-come was that in 1893 the two companies formed a trust with a capitalization of seventeen and a half million of dollars. The Bay State Gas Co.

receiving 75% profit - on their actual investment.

Now let us stop and think what a spirit of brotherly love these companies really are showing. First, - Mr. Addicks goes to Boston with a determination of ruining the Boston Gas Co., no matter the cost -; or more likely forcing it to unite with him. Second, - After the two companies have had their fight-out, they both turn on the consumer and force him to go without gas, or pay the expenses of their fight, - by charging him $\$1.30$ per 1000 ft. of gas. While it could have been furnished, and yielded a good profit on the investment, at $.60\%$. Even the struggle of competition is not permitted, - simply corporation despotism.

Nail Trust.

We might trace a similar case, so far as the ethics are concerned, in the Philadelphia Gas Co.; or the nail trust, in which jobs were bought, machines actually wrecked, prices run up from $\$2.50$ per keg, wholesale, and $\$4.00$ retail, simply by unscrupulous measures. How kind men are when it comes to practical business!

Let us next notice what is known as the "Rice Case". The Standard Oil Co. entered into an agreement with a Pennsylvania rail-road, that its oil should be carried to Marietta Ohio, for 10¢ per barrel. Not only that; - but was to make a rebate to the Standard Oil Co., of 25¢ for every barrel of oil Rice shipped over the road. One might well exclaim, what may we not expect business men to do in the way of unfairness! And we must not forget what rank this class of men hold in our churches to-day, how their contributions are sought. Oh! let us meditate on the morality of modern business, - modern church leaders.

Beef Combine.

I might speak of the "Beef Combine", - only I suppose to most it seems perfectly just and right - that this combine should dictate to a butcher in our town of whom he shall buy his meat, and especially if he insists on buying of others, rather than the combine, is forbidden on penalty of being run out of business if he disobeys. Does this seem like individual freedom? (Let alone brother love).

Rail-roads.

But let us think of our railroads. They are one of the best examples of dishonesty and corruption in their dealings. For e.g. Mr. Taper, President of the New York Central Rail Road, says thousands of individual shippers as well as whole towns are being killed by their roads making discriminating rates to certain persons along the line. Mr. Vanderbilt has sworn that as a rule all large shippers got special rates, which of course built up the fortunes of the persons receiving such rates. He mentioned Mr. R. T. Stewart, a dry goods merchant of New York, as one whom he had helped.

A good illustration of the advantages which some shippers get, - is that in which the Federal Grand Jury indicted Swift and Company, dressed beef shippers of Chicago, for having received \$30,000 in rebates for the previous six months, from the Nickel Plate Road alone.

I think it hardly necessary to give more examples to show the immorality of business among the great trusts and combines of our country. It is well known that every railroad practices such corrupt acts, regardless of

the crushing effect - on many business men.

It would seem to the thoughtful non-selfish person that a system of industry that is of equal importance to the whole people such as means of transportation, should not be conducted in a way that would lead to the building up of fortunes and comfort for one man, at the ruination of another, who is perhaps equally capable of rendering mankind valuable service, if afforded an equal opportunity. It would only seem that the progress of the whole people would be vastly greater, were our transportation system managed on the principle of equal rights and the best service to all, - rather than on a plane of selfishness and special privileges to a limited number. To-day our railroad corporations, instead of practicing justice, honesty, fairness, consider neither the rights of their patrons nor the justice of their charges.

Adulterations and Shoddy Goods.

There are still other fields in which many business men are far from the practice of a high standard of honesty and right. Few people know how many merchants practice mixing

Different-grades of coffee, and selling all for a high grade, keeping a wet-blanket about the barrel of sugar, selling what they know to be shoddy goods, for medium or first-class, using loaded weights—and a hundred other little tricks that are practiced wholesale every day. True these are little things, but they tend to make men unhappy, discouraged, suspicious of every one. It is well realized that an honest business man must be extraordinarily shrewd, or he will be ticked out of his very means of sustaining life. Further-more.

How An Immoral Business System Affects Civilization.

Further-more, from such imperfect-industrial institutions as exist, there is a tremendous reaction on manhood,—and it is thus not confined simply to our business life. It tends to debase our whole civilization. We can not help observing this in our factory, mining, and sweat-shop systems,—where men women and children are compelled by necessity to work under unwholesome conditions, long hours and for low wages. The result is they become discouraged, dis-

heartened, and lose all sense of integrity and morality. They become so debased as to use all sorts of violent means in retaliation; and this condition is infused, by inheritance and association into the veins of civilization. Thus we can trace the reaction from low business principles to a degrading effect on the whole of society.

How The Competitive System Leads To Antagonism, Selfishness, Hence Immorality.

Similarly, the whole competitive system tends to create a disregard for each others interests, a lack of sympathy among classes; and this intense antagonism develops selfishness, and thus naturally tends to prevent the growth of sympathy, virtue and honesty.

Necessity Of A United Interest Of The People, To Carry Out An Ethical Industrial System.

Thus if we would make it possible for society to stand upon an individual plane, governed by truly ethical principles, we must first establish interest between the individuals of our

society. This is fundamental. With out it, we cannot raise the standard of morality to a high plane, - because with out unity we have antagonism, and this begets selfishness - the basis of immorality.

Conclusions.

I would next call attention to some of the conclusions which I believe a thoughtful person will be able to draw from even this brief treatment - of such a broad subject.

First, - View our industrial system from a stand point which enables us to see it in actual operation, and I believe we cannot fail to observe a vast amount of demoralizing practice among all classes of men.

Second, - That our present competitive society is not conducive to kindness and good will between men. But rather hatred, bitterness, disunion.

Third, - If we were able to remove the cause - i. e. replace the struggle of competition by some form of co-operation, or public ownership, we would have taken a grand step toward the improv-

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ment of our ethical practice in modern business relations.

How To Raise The Moral Standard.

We now come to the question of how this may be brought about. There are three grand avenues there which we may use our efforts to obtain this end.

Schools & Colleges.

First, — Our schools and colleges. Here should be the beginning. Here is the place to train the mind, and direct its course, so that it may be able to fathom the depths, grasp the relations, and supply the methods which will lead to a solution of these great problems.

Unions of Working men for Educational Purposes.

Second, — Then the various unions of working men. For truly there have become an important factor in moulding the sentiment of a great mass of people; and it is to the interest of civilization, that the leaders of these unions inculcate into the minds of those ^{whom} they influence,

the principles of justice and equity; and use their whole power toward securing the fulfilment of these principles.

Churches And All Other Religious Organizations.

And last but of vast importance, is the church. It should not only continue using its grand influence toward the up-building of ethical principles; but it also may and should take more advanced steps. Let it not hesitate longer to enter political affairs as a purifying agent. The field to purify should not be limited by the notions of a few church leaders. The time has passed when we should even try to keep school and politics separate; for they are dependent on each other, and should work in union. You say politics are too corrupt for churchmen to meddle with. If so, will they ever become purer by avoiding them? No, Never! If it is the duty of the church to purify, then why avoid that which most needs purification?

So in conclusion I would say, let our public institutions of learning, our churches, and all other kinds of religious organizations; our combinations of working and business men for

educational purposes, — each and every one endeavor to instruct men to solve the problem of how to establish unity of interest between individuals, between states, and between nations. This will tend to make men sympathetic, tolerant, just one to another; and will reduce immorality to a minimum. Thus only can we have most happy business and social relations.

End