

LILIENTHAL—Maker of Atomic Policy

DAVID LILIENTHAL holds one of the world's big jobs. As chairman of the U. S. Atomic Energy Commission he guides nuclear research and development in the nation where greatest strides have been made. With his four associates he directs an atomic empire—Oak Ridge, Hanford, Los Alamos, the new national laboratories such as Argonne and Brookhaven, and the many smaller projects in industry and educational centers. It is an empire with a budget of a million dollars a day.

He comes to the task with a record of action and a philosophy that have earned the respect and confidence of his fellow Americans. As policy chief of TVA at its inception in 1933, he was prime target for criticism of the venture. In 13 years with TVA, he survived congressional investigation and bitter opposition to make the Authority best known of New Deal inventions. In so doing he won the personal admiration of many determinedly opposed to TVA.

With Acting Secretary of State Dean Acheson he wrote the report that made U. S. policy on atomic energy. He stands for international control of all the crucial phases of atomic energy. Until such control is realized, he wants America to lead in nuclear research. He knows that this means making more atomic bombs and accepts the implications. Keenly aware of the profound significance of nuclear research to world peace and the future well-being of the world's peoples, he is yet sufficiently realistic to know that the road is long and strewn with many obstacles and pitfalls.



own lands, telling them just what America is like, what our motives are. The confusion abroad is natural enough. But we should take care that we ourselves do not get confused about the sources of our strength, about what it is that makes America strong and that will keep her strong.

What is this source and this foundation of our American strength? The answer most commonly heard is: Our economic system. This "system" is variously referred to as the capitalist system, or democratic capitalism, or the system of free enterprise, or some similar expression.

THE BASIS OF STRENGTH

The central role of free, competitive, private enterprise can hardly be exaggerated. But neither this nor any other answer in economic terms can explain our basic vitality.

The basic source of the strength of American civilization does not lie in an "economic system." The well-springs of our vitality are not economic. They go deeper still; they are ethical and spiritual. Our society in America is founded not upon the cold and bloodless "economic man" of the Marxist, but upon a faith in man as an end in himself. We believe in man. We be-

lieve in men not merely as production units, but as the children of God. We believe that the purpose of our society is not primarily to assure the "safety of the state," but to safeguard human dignity and the freedom of the individual. We are a people who have built upon a faith in the spirit of man, who conceive that the development and happiness of the individual is the purpose and goal of American life. I judge that we are not ready to "trade in" this luminous concept of a people's purpose for the notion that the America of the Bill of Rights, of Walt Whitman and Justice Holmes and Abraham Lincoln, is simply a highly productive economic system.

What we have, actually, is not a system at all, but almost its opposite, that is, a society of the greatest imaginable diversity, and flexibility, taking things as they come, deciding how to handle situations by the facts of each situation itself—"doing what comes naturally."

"SYSTEM" IS THE RESULT

What I have said may start an argument, but it will not be merely an argument over the meaning of words. I speak of the substance of things. I am asserting that the vitality of our distinctive institutions of production and

distribution of goods ultimately depends not upon rigid and fixed economic principles but upon ethical and moral assumptions and purposes; that our unparalleled productivity and standard of living are not the consequence of an economic system, but rather the other way around; that our economic success and our flourishing economic institutions are the consequence of our ethical and moral standards and precepts, of our democratic faith in man.

We have ethical guide lines in this country. We have developed rather highly a sense of what is right and what is wrong, of what is fair and decent, and what is just crude use of arbitrary power. A cynical labor leader or business giant, a cynical politician or public official—those who conceive of American society as nothing more than a jungle in which the most ruthless prevails—we may not catch onto such men right away. We can be fooled for a time by a mask of pretense. Sometimes we are slow to repudiate cynical disregard of our democratic faith—but that faith is always there, the foundation of our buying and selling, our hiring and firing, our political and financial institutions. No factory can be operated, not a carload of wheat

AMERICA'S STRENGTH—THE ESSENCE

"Upon a world-wide stage we stand today as the exemplars and the active protagonists of certain heroic principles of human life, about which we feel so deeply that we are prepared to stake everything upon keeping them alive and flourishing."

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"Some would have us believe that because we excel in making millions of the same kind of useful gadgets that therefore we are free men. No, that has the cart before the horse. It is because freedom for men is a primary ethical concern of ours that we do so well in making gadgets and raising food and doing successfully many other things—among them the winning of wars."

"We ourselves should be very clear about American fundamentals as we move into the most fateful role we have ever played in world affairs. For our leadership in large part depends upon our continued capacity to demonstrate how superior, in human terms, is our way of living. If I am right in what I have been saying, then it is important—desperately important—that we be clear in our own minds about the true sources of our strength; that we nourish and safeguard the ethical principles that make us strong."

sold, not a labor dispute negotiated, not an election held, that these ethical, legally unenforceable precepts are not part of the transaction.

I do not see how our kind of society could flourish in any other way. A highly interdependent country, one capable of producing more than \$150,000,000,000 worth of goods a year, is too complex for rigid planning and the enforcement of detailed plans by law. We must function in a loose, informal way under sanctions that are largely ethical and moral, based upon commonly accepted standards of fair play and respect for human integrity. This is the way we do function, by and large, and this is why we flourish.

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Diversity and flexibility, rather than a stereotyped hard-and-fast system, is an essential part of such a noble concept of society as is ours. We get our economic services in the way that at the

time seems to work best, that will in a particular situation best advance our underlying purposes. We do not start with all the answers, the economic or political answers. We make the answers up as we go along. Thus American industry is owned and operated, by and large, by competitive private enterprise; yet a year ago the Senate of the United States voted unanimously to establish public ownership and management in one of our largest industries and make it a government monopoly—I refer, of course, to the atomic-materials industry. That appeared to be the thing to do at the time, for reasons related to the facts of atomic energy, not for ideological reasons taken out of some book of economic dogma.

AMERICAN DIVERSITY

The most rock-ribbed Midwestern town I know has for many years owned and operated its own electric power and light plant. Is this, then, a "Socialist" town? Hardly! Its water service has been privately owned for the same period. There is a privately owned university, a public junior college. No one considers that these things are inconsistent; and, of course, they are not, except to the dogmatist who thinks we

have a fixed "system." In the same town there is a farmers' feed co-operative that is not quite private or quite public, operating side by side with a big privately owned feed company. There are private banks, there are non-profit insurance companies, there are state-owned liquor stores. We would never consider adopting government ownership or control of newspapers partly because of their educational character; but our school system, the cornerstone of American education, is almost entirely publicly owned and managed. This is all part of the familiar picture of American diversity, of American flexibility.

The fact is that we have hardly an ounce of economic dogmatism in us. This characteristic diversity of ours, this capacity to adapt ourselves to any need stands us—and the world—in good stead tonight. For in western Europe there are many different kinds of economic undertakings and methods of controls; and, as befits world leaders, we are peculiarly equipped by reason of our own economic versatility to deal effectively with each of these, without sacrifice of our own unifying sense of purpose and direction.

PROBLEM OF LEADERSHIP

We ourselves should be very clear about American fundamentals as we move into the most fateful role we have ever played in world affairs. For our leadership in large part depends upon our continued capacity to demonstrate how superior, in human terms, is our way of living. If I am right in what I have been saying, then it is important—desperately important—that we be clear in our own minds about the true sources of our strength; that we nourish and safeguard the ethical principles that make us strong.

Now no candid person—no honest person—would deny that there are today some disturbing tendencies in our country away from this concern for the individual, away from our standards of fairness between men. We are witnessing in some quarters as ugly a scene of hogwash and money mania as we have seen since the days of the '20s. Many of those who spent the years of their youth fighting for this country, returned to find themselves the victims of legal crookedness and outrageous speculation. These and other evidences of disregard for our ethical precepts do exist in some quarters; and to the extent that they exist they poison the wells of our material as well as our spiritual strength.