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## **PRIVATE ENTERPRISE AND ITS PLACE IN THE WORLD STRUGGLE**

Remarks delivered  
at the Naval War College  
during the Plenary Session  
Global Strategy Discussions  
8 May 1953 by  
*Mr. George W. Wolf,*  
*President, U. S. Steel Export Company*

Gentlemen:

As I listened this morning, I felt very much like that beautiful blond Dr. Baxter told you about. I couldn't help thinking and wondering who was dreaming. I think we ran the gamut of all the human emotions this morning and I am going to touch on some of those human emotions—unfortunately, much more lightly than I would like to.

Since my subject is “economics,” I want to say that it is my sincere, earnest and conscientious conviction that our refuge and our strength, in the world crisis that faces us as individuals and as a nation, is our economic strength—our economic potential. I wonder how many of you have thought deeply on how we got so economically strong that we are the wonder, the envy and—to Russia—the despair of the world, economically speaking.

I am firmly convinced that the economic health or strength and the economic well-being of any nation, any territory or any group of nations, depends on relatively few, simple and (to me) self-evident facts. In the case of our country, certainly it is a truism that our economic health and well-being is due to and dependent upon *raw materials* to which we have had—thank God, thanks to the British Navy up to now, and perhaps in the future thanks to the United States Navy—access to raw materials wherever we find them; that is, those that we haven't within our own borders.

The next thing after raw materials in the formula for economic health and well-being, or economic strength, is *manpower*. We have a great reservoir of ingenious, able and capable manpower.

The next is *tools*. The American has been famous ever since we became a nation for ingenuity in making tools.

So, we have the elements: manpower, raw materials and tools. If we add all those together and multiply their sum total by the coordinating factor of *efficiency*—the efficiency with which we use the tools—the result is, and has been, the great economic potential of the United States. When we talk about the efficiency with which we use raw materials, tools, and manpower, we get into the economic, social, political and spiritual atmosphere in which those three things are coordinated and which I call “the great multiplier.” Fortunately, we have had a beneficent atmosphere in which those three elements can work and which have resulted in our economic strength. That, I say, is our greatest refuge and strength in the crisis that confronts us as individuals and as a nation.

When I say the most important of all those factors is the great multiplier or the atmosphere in which those three things work together and are coordinated I, naturally, refer to the tradition of individual enterprise to which, I think, alone is due the miracle of production of the United States. I wonder how many of you have ever thought deeply and have tried to define just what “free, individual enterprise” is. In the short time at my disposal, I would like to give you a very brief definition of what, in my opinion, American free enterprise consists. So that you don’t think this is the work of my own thought, I want to say that the definition I am about to give is, in substance, what the American delegates to the International Business Conference in Rye, New York, subscribed to in 1944, at which time there were some 129 representatives of some 129 nations assembled and at which time the American delegation thought it very important that we, as Americans, state what we believed to be the enterprise system

of America in order to clear up any doubts in the minds of those from all over the world, many of whose thoughts were contaminated by the growing spirit of nationalism.

We Americans said this—that free individual enterprise was the right (and, gentlemen, I say “right”) of the individual by himself or in concert with others to set up in business for himself; to own, to use and to risk the mechanical means of production. We said that the reward for success in such an undertaking was *profit*, and the penalty of failure was the loss of what had been ventured. We opined that nothing other than this could provide the incentive upon which economic progress is built. We went on to say that the processes of research, discovery, expiration, invention and experiment were all characteristic of the free individual enterprise system. Then we said that without the right of the individual to venture his capital, where profit seemed likely, to seek his living where he could find it—without these we thought (and I still think) it is pure delusion to imagine that political and social freedom—even if they existed—could long endure.

We discussed at length in our group here what to me is a very interesting subject: What is This World Struggle All About? In my opinion, I sincerely, conscientiously, and with all the force of my soul and character believe that when you strip the question of everything except stark reality—we are fighting to preserve our individual liberties or our American way of life. If we don't gain that in the struggle—then perhaps we might be in a position of the man referred to in the Bible, “when we have gained the whole world and lost our own souls.”

People refer to the “American way of life” often these days. I would like to say what I think is the “American way of life” which, I hope, we are fighting to preserve. Because if we are not fighting to preserve that, then quite frankly I, personally, have no interest in the struggle.

What then is this "American way of life" that I believe we are fighting to preserve for our children and our children's children? Fundamentally, to me, that American way of life is a system of living, a system of ethics, a system of treatment one toward the other handed down through the centuries of the Christian era by men and women who practice in their daily lives the love and the fear of God.

Fundamentally, to me, it is realization that man was created in the image and likeness of God; that man is a spiritual being, not a materialistic one; and that the individual value and worth of a human heart and soul are worth fighting for, lest the human race revert again to the bondage of resurgent and cynical mob tyranny.

This idea of life, I believe, found divine expression and inspired interpretation in our Constitution and our Bill of Rights. These documents have been hailed the world over by men and women of goodwill as Magna Cartas in the cause of human freedom. Part and parcel of this human freedom is economic freedom. I touched on that in my definition of "free enterprise." But I would like to say this: as long ago as 1759, Benjamin Franklin said: "He that would give up an essential liberty to obtain a little temporary safety, deserves neither liberty nor safety."

Our determination to live up to this American heritage, this American tradition, must ever be unflagging, unflinching. If it should not be, then reversion to slavery will become but a matter of time, as the unhappy residents of Russia and her satellites very tragically know.

Today, the forces of evil are everywhere around us. There are those who say that the American economic system, which they loosely refer to as "the Capitalistic system," is simply an economic system whereby the Capitalists enslave the masses. These saboteurs of our American way do not appreciate, even if they un-

derstand, the total and unique lack of similarity between our American economic system (call it what you want) and any other economic system past or present in the entire human experience. There is as much similarity between our so-called "American capitalistic system" and the so-called "capitalistic systems" of any other country in the world as there is between a rabbit and a horse.

In America, it is the people who own American enterprise and every American, regardless of race, color or creed, may become the owner through purchase of as much or as little of any enterprise he chooses. American management is a steward for the stockholders, the owners, the people—and American management produces or the owners change it. This peculiarly American system has produced in our short life as a nation, and actually in the last forty years, more goods and services—and has distributed those goods and services to more people in greater abundance—than was produced, or has been produced, in all the centuries of human effort since Adam and Eve.

I say, gentlemen, therefore, let's not be beguiled by those who would beguile us to destroy us. Let us guard well and devotedly nurture the fundamental freedoms of our American heritage that have made this country strong and great, and without which we will fall prey to the enemy that confronts us. Let us realize, I implore you, that this priceless heritage of American freedom cannot be willed nor can it be inherited. It must be fought for and defended by each succeeding generation.

Remembering this, let us rededicate ourselves to our sacred obligation to pass this heritage on to those who are to come after, unsullied and better than we found it.

Thank you!

## **BIOGRAPHICAL SKETCH OF LECTURER**

Mr. Wolf was born in Pittsburgh, Pennsylvania, on April 15, 1892. He graduated from the U. S. Naval Academy in 1913, after which he did graduate work at Lehigh University.

He remained in the Navy until 1926, advancing from Ensign to Lieutenant Commander. Mr. Wolf was awarded the Navy Cross as a result of combat action in World War I.

In 1926, he resigned from the Navy to begin a civilian career with the General Motors Overseas Operations Company, becoming Managing Director in the countries of Argentine, Poland, Germany and Spain from 1926-38.

In 1939, Mr. Wolf became President of the U. S. Steel Export Company, New York City—a position which he now holds. In addition, he is a member of the Executive Committee of the National Foreign Trade Council and a member of the Council on Foreign Relations.

His clubs are The Army and Navy Club of Washington and The Metropolitan Club of New York.



**Navy and Marine Corps Reserve Officer Participants in the Fifth Annual Session Global Strategy Discussions at the U. S. Naval War College, Newport, R. I.**