

became unimportant. It was found that a better method of increasing sales was to increase the entire number of buyers. Instead of two competitors wrangling over ten thousand customers, it was found that twenty thousand more could be secured—more than enough for both. One might have thought that anything so high priced as a motor car would have a limited market. But automobile makers compared notes. They concluded that it would be a far better method to improve all cars and get a larger market by mutual aid than to hold to any slight advantage. The result was that all cars were so greatly improved and cheapened that the market was much expanded, and in the United States on the average every family owns a car. On the average only. Many new families are constantly getting into the circle of car owners, and exports improve.

IT IS AN INTERNATIONAL MOVEMENT

Naturally it is to the interest of all manufacturers to have everyone get high wages, so that his purchases will be greater.

Not only towards customers and competitors is there a different outlook. The business man has a different point of view as regards himself. He no longer works only for money. For example, Mr. Heinz feels a responsibility toward his employees, toward dealers and consumers. Gerard Swope, the President of the General Electric Company, was offered G.\$250,000 a year to take charge of the Goodyear Rubber Company but refused. More than a huge salary, he valued the interest and responsibility of the work he was already doing. That Cyrus Curtis has started one great magazine and newspaper after another was not due to desire for more wealth certainly. Men are drawn into business activity for the sheer love of doing it—and often the desire to accomplish something for the good of humanity. By such institutions as the Harvard Business School, by associations dealing with research and improved selling and distributing methods and the avoidance of waste, the methods of business have been revolutionized in America. And government is becoming more and more a matter of commerce.

The improvement is not limited to national boundaries. America realizes that a depressed condition in England is bad for American exports, and that orderly conditions in China and the raising of wages here and the standard of living means new markets. Business has become the greatest civilizer and the strongest influence for peace and friendship among nations.

New Business Methods

It is notable that the speeches at the dinner of the China Association given in honor of Dr. C.T. Wang, Dr. H.H. Kung and Mr. T. V. Soong stressed the importance of business in the relations between China and other nations—not the selfish aspects of business but the general benefits of co-operation for all the people of the nations concerned.

A great revolution has taken place in business methods in America and elsewhere that affects the whole life of the nations involved. In fifty years the change has been so great that business has become the main civilizing influence or agent.

Has Shanghai yet felt this change? That it has not is one of the main reasons for the misunderstandings that exist. People in China—Chinese and foreigners—still look on affairs through the old worn-out spectacles of a former selfish age. The utterances at the dinner in the Shanghai Club reflect somewhat of the new enlightened attitude.

IT used to take a year or two for New York styles to travel across the American Continent to San Francisco. Changes in modes are now nearly synchronous. But Shanghai and China are still a long way from the rest of the world. In some respects the attitude of mind remains here what it was fifty years ago.

In the last half century a great change, a business revolution, has come over the West. Most of it has been accomplished within the present century. When that change affects not only business but general thought in Shanghai and other centers of activity in China, not only will there be greater prosperity but the relations between foreigners and Chinese and also between all employers and employed will be vastly improved.

Chinese still regard foreigners by the standards of fifty years ago. And no wonder. For the old methods of trade are still employed by many in the Orient. The great changes have not yet got a firm grip out here.

THE OLD TRADING SPIRIT

Although no uplift or morality had anything to do with the great change spoken of, yet one of its results has been putting into practice in business fields the truth laid down by Benjamin Franklin that honesty is the best policy. But this is only one aspect of the change.

The old attitude may be illustrated by the story of the country merchant who called downstairs to his overworked apprentice as follows: "John, have you sanded the sugar?"

"Yes, sir."

"Have you watered the rum?"

"Yes, sir."

"Have you dampened the tobacco?"

"Yes, sir."

"Then come up to prayers."

In those days there was sharp practice in any trade. The Yankee notion peddler was full of wiles. He probably never carried wooden nutmegs, but he had a bag full of tricks.

Later the big companies sought to crush competitors. The history of the Standard Oil and the National Cash Register were typical of the times. In fact, business was looked down upon. The best men were educated in college for the professions—the ministry, the law, medicine.

Now, however, there are a million young men and women in American colleges. Most of them will go into business. It would be well, also, if they could help govern more than they do. But the improvement in politics is yet to come.

THE NEW OUTLOOK

The change has been gradual. In America its beginning came when the people served notice on the great corporations that enterprises vital to public welfare could not longer be administered as merely the private concerns of their conductors. The insurance companies were disciplined by the Hughes Commission. Anti-trust crusades brought to book the oil and tobacco interests. To prevent combinations is not sound, but to prevent the crushing of competitors is sound. It has finally been found that these two are not always one and the same thing. Strange to say, monopoly would be nearly impossible today in the United States even without the restraining influence of the Sherman Law.

Perhaps the business of advertising will illustrate the change as well as any. Decades ago advertising was largely used to market disreputable products. The truth was not told. But those interested found that a single sale did not pay. The only way to get permanent results was to tell the exact truth in the advertisement. If a great advertiser claimed that his product was superior in certain definite respects, he had to make it so. This led to the improvement of goods. It led to honest values. The one-price system had come in because people patronized shops with goods marked with one price. No longer could a wily dealer charge one customer twice as much as another.

Greater honesty on the part of manufacturers and dealers led to much greater purchases by the public. Trade increased.

Another step was the different attitude toward competitors. Trade secrets and protected formulas