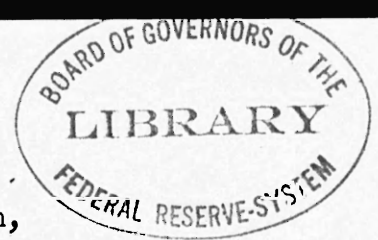


For Release Upon Delivery



Remarks of C. Canby Balderston, Vice Chairman,
Board of Governors of the Federal Reserve System,
at the dedication of the new Business and Public Administration Building,
University of Maryland,
College Park, Maryland,
Saturday, May 6, 1961,
10:30 a.m.

Because of my long acquaintance with Dean Pyle and my admiration for him, the sense of satisfaction you must derive from the completion of this building is one that I share. It will be a fitting aid to the teaching process. It will help those who are eager to learn to satisfy their innate longing; it will help those dedicated teachers who, from their own liking for people and their own intellectual curiosity, devote their lives to prompting and guiding those who wish to learn. I doubt not that these walls will echo the enthusiasms that make of teaching a high adventure and a perennial excitement, and that they will also witness the humility and dogged persistence of scholars searching out the truth beyond present horizons.

However helpful is a good educational plant (and it is a significant aid) your real interest is in people and their full, rich development. And so, I turn from brick and mortar to the students this building is designed to serve.

Why should students elect to study business administration? Their choice doubtless reflects the role that business plays in our society and the rewards it offers in power, prestige and financial compensation. The power of captains of industry often exceeds that once exercised by feudal lords and by princes of the church. It is to be expected that many men, looking forward to careers in business, should wish to focus their college education upon preparation for such careers as well as for

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the living of a full life. Just as some students wish to delve into the conquest of nature, others wish to understand man's conquest of his economic environment. And for such students, exposure to the problems of business administration has the great virtue of exciting their mental processes about problems in which they have a natural interest.

There is psychological appeal in asking a student to stretch his mind upon problems related to business if he expects to make business a career. My late friend, James G. Vail, when President of the Society of Chemical Engineers, suggested to his fellow chemists that the problem can not be met by despair, cynicism or irresponsibility. In his words, "the education we need -- springs from an urge within a person in response to a challenge or inspiration, not something that is imposed from without -- not the mechanical accumulation of data but the awakening of a living and dynamic purpose ----."

A student's exposure to the disciplines associated with the study of business need not be narrowing for business education is not trade instruction. Even though the search for truth has brought specialization into all fields, whether it be the natural sciences, history, or literature, the specialization that surrounds us need not destroy a sense of proportion. A student may gain a knowledge of his cultural heritage from a variety of approaches, just as one may seek Heaven by many paths. Every student needs that general acquaintance with the past that is the hallmark of the educated, but he also needs the skills that will make him useful to society and wanted by it. A student may profit

as much by learning how currencies have been debased in many countries and in many generations to satisfy the cupidity of reigning monarchs as from descriptions of battles.

Those who play leadership roles in business need breadth of understanding as never before. They need wisdom to comprehend the changing forces that influence business, for good or ill. They need wisdom to appraise current trends in the light of the experience of the past. Will those who are educated in our business schools reflect narrow views dictated by immediate dollar effects or wide-ranging minds trained to think both analytically and imaginatively? Will they take into account certain ground swells that transcend individual industries and even national boundaries?

There faces us, for example, the Devil's Dilemma of paying our national bills through higher taxes or inflation. The government is called upon from all directions to provide price supports and other subsidies, foreign and domestic, and social benefits whose ultimate cost is scarcely comprehended. The universal desire for security is understandable. What gives concern is an apparent lack of realism as to how much formalized security the economy can provide and remain healthy. As Emerson warned our grandfathers, "Every sweet hath its sour -- Every advantage its tax."

I turn now to the ethical conduct of business affairs. The canons of business morality are as yet less established and developed than is the morality of the church, and the public has come to feel that business transactions may not be conducted "on the level" without the

watchful oversight of government. The lure of wealth has led some to discover the short cuts and the angles to getting a "quick buck." And so there have come into being supervisory agencies that add to the rigidities of our economy. Those appointed to such supervisory bodies face delicate questions of conflict of interest, especially if they have the technical knowledge and experience growing out of long contact with the industry supervised. Governmental controls I am not condemning; rather am I pointing to the tragedy that the business world, which exhibits so many examples of the highest probity and fair dealing, should have in it enough malefactors to have brought about such irksome and costly restraint. All of which suggests that the development of a nice sensitivity as to what is right will help make business more respected among men and a more satisfying arena in which to play the game of life. In my view, the ethical obligations of a businessman resemble those of a trustee and extend beyond mere legality.

What then of the teacher? He cannot instill ethical sensitiveness by preaching, but he can do much by precept and by letting his student colleagues know that he is a man of principle. Above all, he can display a courageous devotion to the truth as he sees it even if it entail some penalty or disadvantage to him. His objectivity and devotion to the truth must spring from his heart and conscience. If he keeps himself readily available to his students, they may absorb by osmosis a philosophy of life that will deter them from seeking advantage for themselves to the detriment of others, or from playing for security at an age when they should be imaginatively seeking out opportunities for uniqueness

of service that entail daring and calculated risks. Mental lethargy and slow death come at all ages and are no respecters of youth. Romain Rolland remarked that most men die at thirty. It is the task of the teacher and the taught to find the springs of eternal intellectual life, and like Franklin, to live that life with continuing excitement and relish and service to their fellow men.