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NEW YORK CITY 1

Hamilton, Missouri  
March 16, 1949

Mr. Amon Carter,  
Fort Worth, Texas

Dear Mr. Carter:

The clipping from the San Angelo, Texas Standard-Times of January 30th has just reached me for I am away on a long trip and the clipping has therefore been forwarded.

I want to congratulate you upon the 43rd anniversary of the Star-Telegram and upon the remarkable success you have achieved.

We both started very young and with little worldly possession and each of us has demonstrated what can be done in a free America. We now have cause to wonder whether or not we are going to retain the opportunities which have been ours under the free enterprise system. The "American Way of Life" has been a grand and glorious system whereby a man who had ambition and was willing to work could succeed to any extent compatible with his abilities. I hope that freedom is not going to be wrested from us but we must all face the facts that grave dangers beset our freedom as individuals.

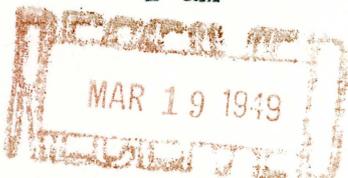
I think you may be interested in reading a copy of my talk THE AMERICAN WAY which I am enclosing herewith. Very likely you may have seen this before but in order to make sure, I am sending another copy herewith.

You have risen high in your field and have been a force not only in your immediate community but far afield as well. I trust your publication may continue to grow in prestige and power and in usefulness to the citizens of your section.

With my kindest regards and best wishes,

I am

Sincerely yours,



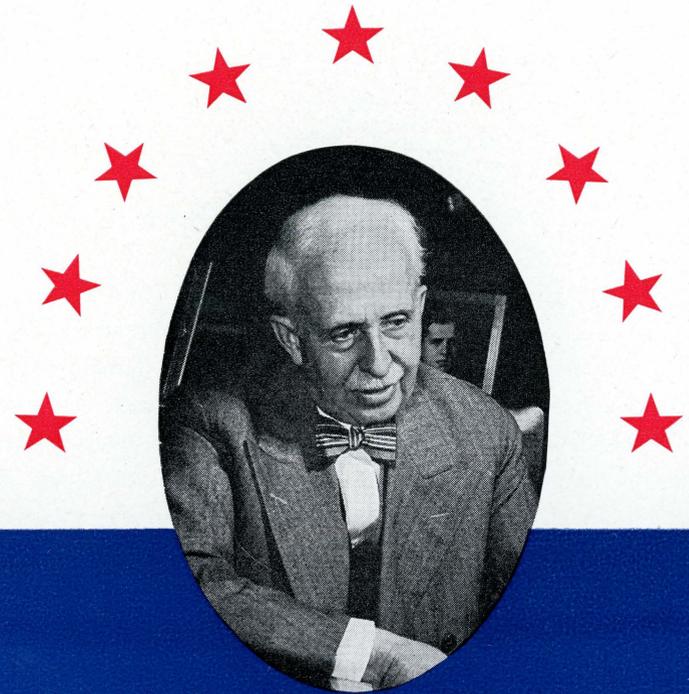
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**A**merican  
**W**ay

by J. C. PENNEY

An Analysis of Its Historical Back-  
ground and Its Hopes for the Future

*An Address, Given By Mr. Penney Before  
The Rotary Club of New York on August  
29th, 1946, and Since Then, to Many Similar  
Groups in Various Parts of the United States.*



J. C. PENNEY

## THE AMERICAN WAY

It is an honor to have been invited to address you today. I deeply appreciate the privilege of speaking to you.

The friends who know my history from its earliest days know that I have come up the hard way. This gives me warrant, I feel, to discuss the subject "The American Way", for it is under "The American Way" that whatever measure of success I have had has been attained. It is a method of living, therefore, in which I believe deeply and that is close to my heart.

In some countries, I would be liable to be "shot at sunrise" for expressing myself as freely as I intend to do about the existing trends in government. That I can speak openly and frankly here, without fear of dire consequences, is one of the glorious things about our American form of government. I want to discourse on some of the trends that threaten our precious liberties, and our beneficent form of living. First let us consider what this thing is that we call the AMERICAN WAY OF LIFE.

There have been many definitions of the American Way, but one that I believe is especially apt was given by DeWitt Emery, President of the National Small Business Men's Association. It is furnished in simple, down-to-earth language and reads as follows:—

"Our American Way of Life is made up of many things—bath tubs and automobiles; big cities and small towns; farms and victory

gardens; mammoth steel mills and village machine shops; colossal educational institutions and the little red schoolhouse beside the road; churches and hospitals; railroads and air lines; chewing gum and ice cream; department stores and crossroad general stores; specialty shops and beauty parlors; pool rooms and race tracks; Hollywood, Broadway and the High School play; laughter and sorrow; eagerness and despair; and people—millions of all kinds of people—gathered together from the four corners of the earth, drawn by the magnet of Freedom, Opportunity and Justice.

“Our American Way of Life provides each individual an opportunity to go as far and climb as high as his willingness to work, his skill, ingenuity and integrity will carry him.

“Our American Way of Life recognizes that the individual has the right to work when and where he wishes, the right to worship as he pleases, to speak his mind on any subject, to meet with his fellow men for any peaceful purpose, to be secure in his possessions and to have his day in a free court. It recognizes that the individual is superior to the State, that our public officials are servants of the people and that they derive their just powers from the consent of the people.

“These things, taken together, created the atmosphere of freedom and an economic climate which made possible in the United States the greatest production of wealth in the history of the world and the establishment of a standard of living which is the envy of all other nations in the world.

“In short, the American Way of Life is the greatest blessing ever bestowed on mankind any place on the face of the earth.”

And how did this glorious American Way which DeWitt Emery has so well described, come about? To answer that question, I ask you

to bear with me while I touch briefly on some of the world's history.

Two streams of thought united to produce the American Republic. One stream took its rise in the teachings of Socrates and Aristotle. These men taught that the human is and should be free; that a man has the inalienable right to think for himself, and should not be coerced intellectually. Aristotle warned that democracy can degenerate into tyranny. The demagogue, with his ability to excite the passions of the crowd with vague promises of material things, may lure them away from freedom.

This is exactly what happened in ancient Rome. We have now a counterpart of the ancient situation. The greatest exponent of Greek thought in the Roman Empire was Marcus Cicero, who as Consul of the Republic of Rome crushed the Catiline Rebellion when the left-wing forces of the Empire sought to establish a collective economy. The speeches of Cicero's opponents read exactly like the demagogic harangues of the present day. He held them off for awhile, but they finally defeated him under the adroit manipulation of one of the shrewdest politicians who ever lived, one Julius Caesar.

Caesar told the people he would give them anything they wanted without their working for it, and they believed him. He instituted a planned economy—in fact, one planned economy after the other, because each of them in turn failed—until there came a time when twenty per cent of the population of Rome was on the public payroll. (No wonder Caesar stayed in office!) Taxes became so high that the farmers, unable to pay them, had no alternative but to allow their farms to revert to the state. This exorbitant taxation ruined business. Thousands of formerly prosperous merchants became mendicants upon the streets of Rome.

The economic confusion deepened, currency inflation developed, and there was vast unemployment. Collective farming was attempted, but it was impossible to induce the people to work because the government had taken care of them so long and so completely that they had lost the habits of labor. A deterioration in character followed. Men who had once roared like lions for liberty now bleated like sheep for security.

As a result, a darkness settled down upon the world, known historically as the Dark Ages. It was not broken for fifteen hundred years, when a flickering light dawned on the hillsides of Fiesole overlooking Florence, in Italy. Men had discovered how to decipher the ancient classics, and once again free thought was flowing with refreshing power into men's minds. Ancient truths came to life.

Such freedom-loving men as Roger Williams and Thomas Hooker brought this stream of thought to Rhode Island and Connecticut. The classical stream of freedom, with its emphasis upon the dignity of the human mind, had at length washed upon these shores. Came finally a day when a man named Jefferson, with a golden pen, wrote into an immortal Declaration of Independence, the principle that all men are created free and equal.

The other stream began generations ago when a man named Moses led a nation of slaves into the wilderness. Speaking to them from Mount Sinai, he told them that God had revealed unto him that they were not meant to be slaves, but free men, because they had been created in the image of God Himself. Moses told them to look at their wrists, upon which the shackles had left their mark; to feel of their backs, where were raised welts caused by the overseer's whip. He admonished them that never again were they to bow the back or bend

the knee or lift up the hand suppliantly for the shackles, but were to stand on their feet as free men, touched by the splendor of God.

He admonished the Jewish father to tell the story of human dignity and freedom every morning to his son as he sat by the tent door. This they did across many generations, until finally came walking into human history a great sun-crowned Man named Jesus Christ, a Man with a marvelous intellect who told men that they were the children of God, that they should know the truth and the truth would make them free; that they were spiritual beings in a spiritual universe.

This ferment leavened the thought and way of life of all Europe—until finally little ships pushed out from every harbor to travel across the great deep, coming to anchor at last upon these shores. Here those that came set up four houses,—first, the dwelling house in which they might find shelter from the elements; second, the Church house, wherein they might worship God according to the dictates of their own consciences; third, the schoolhouse, where they could educate their children to find their places in a free society; and fourth, the legislative house, where the representatives of free men would make the laws and elect one of their number to head the state. This administrator, as James Monroe put it, not to hold office as a “right”, but as a “representative by appointment, temporarily, from the people.”

All of these houses were vitally important, but the basic house of all was the Church house, where it was emphasized continually that man's spiritual heritage gives him certain inalienable rights of life, liberty and the pursuit of happiness.

The two streams I have so briefly described carried upon their bosoms the most precious possessions of the human race, and their confluence created a social and political experiment unique in the world's history.

The economic system which evolved from the merging of these two streams, we have come to call the "free enterprise system." As in the case of the American Way, there have been many definitions of free enterprise, but I think it can be summed up briefly as

*an economic system which gives to citizens who live under it, freedom to work, to keep part of what they produce, to save or to risk their savings or profits.*

In my opinion, the pre-eminent position which the United States occupies today is largely due to its operating under this system of free enterprise. In making that statement, I am not overlooking the fact that God Almighty endowed this country with bounteous natural resources. But it took free enterprise to develop and harness those natural resources. Men operating under free enterprise cleared the forests, built the railroads, took the ore out of the ground, tilled the soil, and did the thousand and one other things which brought this nation to its place in the sun among the nations of the world.

Men operating under free enterprise developed the inventive genius which has given us the many necessities, semi-luxuries and luxuries which we enjoy today — things which are the envy of the entire world. To mention just a few, there are the telephone, the automobile, electricity, with all of its resulting gadgets that have made our lives more comfortable and pleasant: radio, mechanical refrigeration and a host of other things.

These things which in most other lands are the prized possessions of only the very rich, are owned and enjoyed by a large majority of the American people, irrespective of their station in life. It is my sincere conviction that this broader distribution, in America, of the things

which contribute so much to our creature comfort and enjoyment of life, are due entirely to the free enterprise system.

Now, it might be well for me to state at this juncture that I do not consider our free enterprise system perfect. On the contrary, it has many flaws. It has not and does not always operate on "all six." Great inequities have developed under it — it has bogged down badly at times.

At the same time, I submit that over the years, we have been greatly improving and refining the free enterprise system. As its flaws became glaringly apparent, steps have been taken to correct them. Still far from perfection, nevertheless with each passing decade the free enterprise system has made for a more equitable distribution of its products among all classes of the American people. Despite its imperfections, it is the best economic system yet devised and above all, the system which best serves the needs of our freedom-loving people.

\*Government statistics show that the workers' share in what they produce, has increased with each passing year until during the period from 1929 to 1936 inclusive, out of every dollar of net income for division between stockholders and workers in industry, labor took 83 cents, while capital and management took the remaining 17 cents, part of which went to management for salaries, another part to stockholders for dividends, and the balance into reserve for expansion and to meet future contingencies. Unfortunately, complete figures are not available for the past few years, but the figures of many individual corporations which are available indicate that labor's share is still moving upward.

Statistics in connection with the United States Steel Corporation, for example, are very revealing. From 1902 (the year it was organized)

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\*Government printing Office, Washington, D. C. Income in the U. S. 1929-36 Department of Labor, Bureau of Stat.

to 1909 inclusive, a period of eight years, its workers got 64.7% of the net income dollar. (This is the money remaining after deducting purchases of materials and services, taxes, depreciation and interest.) In the next decade (from 1910 to 1919) the workers' share was 70.6%; from 1920 to 1929, 81.5%; and from 1930 to 1939, 94.4%.

The United States Steel Corporation is not an exception to the general rule, and I have used it as an illustration only because it is a corporation which is so well known, and which has been subjected to so much criticism in recent years by the anti-business group holding forth at Washington.

So much for the past performances of the free enterprise system. The record is there for all to read. Its strength and its weaknesses are an open book. But, despite its splendid over-all performance, there are some who would have us discard it, to take on some other system.

As you will have gathered from my remarks so far, I am thoroughly sold on the free enterprise system. Also, I hope you will grant that I am not fanatical about it—that I recognize its faults as well as its virtues. I believe, however, that those virtues far out-number its faults—that we can correct those faults; and I want this nation to retain it so that it can continue its beneficences on behalf of all the American people. I can see looming on the horizon no system that can come anywhere near taking its place. Having considered the various economies that are being suggested to take the place of free enterprise, I find them woefully lacking. Most of them already have been tried and found to be absolutely inadequate. Others, as yet untried, are so impractical as not to merit consideration.

*It would be sheer stupidity on my part to ignore the fact that the free enterprise system is under fire—that there is a well-conceived, well-*

*organized plan to dethrone it. I am willing to concede that many of those who advocate its overthrow are just as sincere as I am in advocating its retention, but I do think they are misinformed or misguided and that if, God forbid, they should have their way, all of us would eventually be the poorer.*

For quite some time, and especially during the past twelve years, the trend has been to put the government more and more into business. Business and industrial executives have been, so to speak, in the dog house. Legislation and directives emanating from Washington, inspired by the anti-business group, which hates all business and business men, have hampered free enterprise.

Fortunately, when the Japs struck at Pearl Harbor, the Federal administration was astute enough to bury for the time being, its animosity toward industrial executives, and did a right-about-face. A hurry-up call was sent out and business men were let out of the dog house—in fact, they were coaxed to come out. It is hardly necessary for me to recount what a grand job of war production industry and the workers of this nation did. In a period of three years and eight months, free men, working under free management, and operating under the free enterprise system, accomplished the almost impossible. When this country was faced with the greatest emergency in its history, free enterprise stepped into the breach, and rose to the occasion, to the great discomfiture of Hitler and Hirohito.

I am greatly perturbed, as all of you should be, that there is an even remote possibility that we will throw away the system which made us the great nation we are and which has enabled us to defeat the enemies who would have destroyed us.

*Laws are being proposed before the Congress of the United States, cleverly designed to undermine the free enterprise system. When one*

*delves below the surface, one soon realizes that they are smug schemes to take industry out of the hands of private individuals and private companies and turn it over to the government, lock, stock and barrel.*

Our progress in the fields of technology, chemistry and other sciences, has been due solely to the fact that thousands of individuals have labored in shops and laboratories, many of whom were spurred on by the hope of inventing or discovering something that would benefit the world, and themselves. We can rejoice that many succeeded, and despite the fact that their impelling motives may have been partly selfish, and that they were enriched, millions of us have been enriched along with them by the things they created. There has been much inveighing against the making of profits. *Glib disciples of socialism prate about production for use and not for profit. It is my firm conviction that if the profit urge were removed, inventive genius would be stifled, if not destroyed entirely.*

*Among the legislative proposals currently under consideration are those aimed at socializing the field of medicine. In my opinion, such proposals represent a real threat to the American Way of Life—an assault on the individuality of and freedom of our American doctors.* Such measures suggest that the Surgeon-General of the Public Health Service shall have full power and authority to (1) hire doctors and establish rates of pay, possibly of all doctors; (2) establish fee schedules for services; (3) establish qualifications for specialists; (4) determine the number of individuals for whom any physician may provide service; (5) determine arbitrarily what hospitals or clinics may provide services for patients.

As far as I can determine there is little or no public demand for socialistic practices in the field of medicine. There can be no possible

excuse for arbitrarily placing men of science, engaged in human welfare work, under political domination; *it would be but a mere step further and scarcely more inconceivable, to place all religion, all education, all industry, all business activities, all art and culture in the hands of a few unbridled bureaucrats.*

Such proposals strike me as just another Utopian scheme to delude the American people into believing that one can get something for nothing. It is a further part of what appears to be a *carefully calculated plan to plunge this liberty-loving nation into a totalitarian economy—the very thing we waged a war, costly in lives and dollars, to stamp out abroad.*

The American medical system was one of the wonders of this war. It was not developed or fostered by the state. It was the result of the enterprise and initiative of American doctors who, over a long period of years, were fired with the determination to make American medicine supreme. When this nation was plunged into war, our American doctors were fully equipped and prepared to cope with the gigantic task which confronted them.

American medicine probably gives more actual free service to those who need it than do the medical systems of foreign countries which impose the cost of their so-called free service on individuals in the form of special taxes.

Why should we in this country even consider disrupting our great medical system to copy the experiments of other nations? Our American doctors practice preventive as well as curative medicine and in addition they are counsellors and friends to their patients. Their services are rendered to individuals as such, whose ills and problems and needs are individual and confidential. They work with their judg-

ment and years of specialized training as well as with their hands. They watch clocks only to be on time and at hand to repair broken bodies and save human lives. They are entitled to just and adequate rewards for their devotion to humanitarian principles and practices. Their fees never have been and cannot possibly be regulated on a portal-to-portal basis. They do not get time and a half or double time. A doctor cannot go on strike, except against his own best interests and his conscience.

Nothing could be more contrary to the American Way than proposals to put the medical profession under government control—nothing could be more contrary to the ideologies and concepts upon which this nation was built. My friends, if you don't want to put yourselves in the untenable position of having to crawl to some petty politician or ward-heeler to obtain the services of a physician or hospitalization, register your protest with your Senators and Congressmen against such measures.

You will please pardon me for having dwelt at such length upon this proposed legislation. I have done so because it is typical, it is part of the pattern of those who would destroy our economic system of free enterprise and, along with it, the American Way. It falls in the groove of the false thinking which has invaded the minds of all too many of our people.

Now, what has caused this drastic change of mind regarding basic American principles? How have so many of a formerly self-reliant people come to the point where they are ready to trade their freedom for something that is a delusion of security? Why is there such a clamor to install government as *master* of the people rather than have it continue to be the *servant* of the people, as was intended by the Constitution and the Bill of Rights?

Let us look for a possible answer: You will recall that early in my remarks I stated that "two streams of thought united to produce the American Republic," and, later on, that "their confluence created a social and political experiment unique in the world's history." Those two streams were the material and the spiritual. For over a century and a half they flowed together and thus flowing in harmony, produced this great nation.

But in recent years there has been a severe let-down in the spiritual life of America. The Church, the most important of the four houses set up by the pioneering colonists, no longer occupies its former prominent position.

The waters of the spiritual stream still offer the same strength, plenty and solace, but *all too many Americans have turned away from the One True God to worship material gods.*

That is the diagnosis of what ails this nation today. What is the prescription? What is the treatment which must be put into effect to heal the malady? We should strive to follow God's laws concerning *human relations* with the same intelligence that our men of science have followed His laws concerning things. In the Old Testament we read, "He hath shewed thee, O man, what is good; and what doth the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God?" In the New Testament, we read, "Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind, and with all thy strength; this is the first commandment. And the second is like unto it, Thou shalt love thy neighbor as thyself. There is none other commandment greater than this."

*Our spiritual leaders must explain and interpret God's laws, but to this must be added the efforts of employers and employees alike to*

*give these laws specific application. The two streams of thought that make up our heritage—the material and the spiritual—must be joined together. Here lies our greatest hope of preserving and improving our free enterprise system which has served us so well in the past and gives such promise for the future.*

January 13, 1947.

