Having spent the last few days skiing in Aspen, I'm considering adding "Aspen-at-Wye" to my list of oxymorons. An oxymoron, you may recall, is a phrase which contains two contradictory thoughts -- jumbo shrimp, old news, airline food. But again, having just come from Aspen, oxymorons remind me of a little story about Harold Ross -- the Aspen native and famous editor of The New Yorker magazine. Ross' editorial obsessions were many but among the most painful for him was the use of words such as "little" and "pretty" to mean "somewhat." Once just for the hell of it Thurber filed a story on the opening of a new building in New York which began the "building was pretty ugly and a little big." Ross according to Thurber practically came apart at the seams.

Our session here, however, is more in the realm of economics than architecture. The world of economics, of course, abounds with oxymorons -- "negative growth?" In fact, the attraction
economics has for such phrases is so great that the discipline might well be thought of as a sort of oxymoronic "black hole." Anyway, there is little doubt that in the minds of most people public/private sector cooperation is an oxymoron. And in simplest terms, this seminar is finding ways to show that it is not.

In his book -- America's Third Revolution -- which was just released this week, Irving Shapiro makes a strong statement that new approaches are needed to the problems which beset American society. His voice is part of a growing chorus of business leaders who sense intuitively that somehow large corporations must assume a new role of leadership in our society. This call for new leadership is not just one more cry for "new ways." It is the result of a deep seated understanding that new approaches are prerequisite to the preservation of the basic economic, political, and social system which has served our country so well.

Shapiro's book covers a lot of territory, but the central thread is the need for a more thoughtful, positive, and cooperative approach on the part of business to the public policy process -- this in contrast to the traditional and irreconcilably adversarial posture of business and government with respect to each other.
With a deft and ironic touch, Shapiro chooses as illustrating the wrong way to do things a business group the du Ponts helped put together back in the 30s. The problem for this group was FDR's New Deal and its perceived threat to freedom -- much less to free enterprise. Interestingly, the group which got together consisted mostly of old line conservative Democrats. They were concerned not only that America was being destroyed, but also that their own party already had pretty much been. Anyway, the du Ponts were joined by Alfred P. Sloan of General Motors, Edward Hutton of General Foods, J. Howard Pew of Sun Oil, and Sewell Avery of Montgomery Ward, among others -- a formidable group to say the least.

And in August of 1934, they got together and founded something called the American Liberty League. The problem wasn't that these businessmen didn't have some points. It was that they ignored the desperate plight of millions of people locked in a grim depression. Worse, they got drunk on their own rhetoric and spent the next 18 months attacking the New Deal in every possible -- and mostly irresponsible -- way.

They called Roosevelt's proposals "the end of democracy," "a quicksand of visionary experimentation," and "a trend toward fascist control of agriculture." And they had other less complimentary characterizations of the government's new initiatives.
The climax came on January 25, 1936 when more than 2,000 guests attended a Liberty League banquet at the Mayflower Hotel in Washington. They came to hear Al Smith, the former progressive governor of New York, who because of his opposition to FDR had been maneuvered into speaking on behalf of the league and against FDR. Smith's speech incorporated every slur the league had dreamed up and was climaxed by the declaration that "the clean, pure, fresh air of America" was being replaced in Washington by "the foul breath of communist Russia."

Al Smith, dazzled by the glamour of his new powerful friends, presumably never quite knew what he was getting into when he agreed to give that speech and he also never quite recovered from having been positioned so neatly by them.

The result, not surprisingly, was exactly the opposite of what the Liberty Leaguers intended: The New York Times later dated the revival of Roosevelt's popularity from the date of the Liberty League dinner. By the summer of 1936, the League had lost most of its support and was being ridiculed in the media. In short, it had become a perfect "fall guy" for the Democratic party in power. The Republican Party begged the League to stay away from its 1936 presidential ticket -- to no avail I might add -- and the whole thing quietly died before 1940.
Today, the business community has a better understanding of and more sensitivity to reality. There is more general understanding of the potentially damaging consequences of inadequate and costly education and healthcare systems, decaying inner cities, depressed rural areas, general environmental erosion, to the short and long range implications of dislocations due to rapidly changing technology, and so on.

Unfortunately, however, even though business people have a desire to do something about social problems, it's not clear to most what that "something" might be. As a consequence, over the past 15 years or so, a muddy concoction of philanthropy, general do-goodism, and public relations, has been served up under the general heading of "social responsibility." The results -- to be as kind as possible -- have been "mixed." Given that -- not to speak of a heritage of things like the Liberty League -- it should not be surprising that the credibility of business with regard to its positions on public policy intended to address social problems is poor to non-existent.

As a matter of fact, it is extraordinarily difficult to understand either the depth of the problems, the magnitude of the resources needed to address them, or the changes in mindset that will be necessary to take effective action. The blinders worn by business in the 1930s are no longer in place, but that doesn't mean we've become exactly clairvoyant either.
The result has been a well-intentioned agenda of business involvement, but not much in the way of action. With regard to unmet social needs, the focus has been on charitable contributions and voluntary commitments of executive and employee time. Now there's absolutely nothing wrong with philanthropy and voluntarism. They're fine, but demonstrably inadequate -- and -- they're not really in tune with the day-to-day matter of running a business. However, there is an honest-to-God chance to do something more, something better. And that's why we are here for this seminar.

To bring the full force and resources of business to bear on the debilitating unmet need for our society takes a market approach. That is to say: The involvement of business in addressing social needs must be fundamentally profit-driven. That's what this session is all about -- to define a plan to do just that -- not philosophically, but specifically to see if a consortium can be put together to address some specific problems or needs and thus lead by example. Again, borrowing from Irving Shapiro: "One reason I think fortune may smile on this approach is that it does not depend entirely on altruism, a quality for which business people are not famous, but reflects simple practicality, for which they are."

I do not mean to imply that what we are about here will be easy. For example, addressing complex problems frequently
exceeds the expertise and resources of a single corporation -- even a large one. So cooperation among several companies may be required. Gaining consensus as to mutual interests is not easy -- one may have an interest but no resources, another resources but no interest, and so on. Also, as you dig into the kinds of problems which are stressing -- and distressing -- society, you find a particularly tough problem. In marketing terms it can be stated: "The client is not the customer" (at least not initially). Said another way, it's a question of "who pays" -- or yet simpler, "money." This basic economic problem is crucial because it almost invariably introduces the need for some form of public-private cooperation. In addition, clearly there is a need for public policy which provides structure and support for such undertakings. Such public policy formulation must have the active involvement of business as well as other sectors of society, and to be credible in this process, business people must have shown leadership and initiative.

In a sense, there's nothing particularly new in all this. The "opening of the West" in the last century was fueled by government policy and incentives -- some would say largesse: First underwriting exploration (Lewis and Clark), a mission addressing national security, commercial interest and science. Then fostering and financing settlement (the Homestead Act).
In addition, the government was instrumental in developing vital infrastructure -- railroad land grants, land grant education institutions, and so on.

Now the challenges of today's society are certainly more difficult than these "physical" challenges -- if you will -- of the 19th century American frontier. But after all, perhaps that's only as it should be -- we're supposed to be smarter too. On the other hand, since public-private cooperation wasn't exactly the heritage that Alfred Sloan and the du Ponts left us, we've got to overcome some handicaps of history as well.

Fortunately, the one great constant between the 19th century, the 1930s, and today is the entrepreneurial spirit that permeates our society. It can be channeled wherever opportunity beckons. And beckon it does with regard to these social needs if we can harness the power of cooperation within industry and between industry and government.

In recent months, there has been a lot of talk about public/private partnerships. We'll talk more about them this weekend. It's important to understand that business cannot and should not assume the role of government -- or vice-versa. One key concept in public/private partnerships is the difference
between providing a service and producing a service. The government can be the provider without actually producing the service itself. It can do so without relinquishing ultimate responsibility. It can utilize its limited resources better by facilitating the competition of the open market. And business, by leveraging third party funding from the government, can find new opportunities in places it hasn't thought to look. In short, business and government can remain separate -- they can even have conflicting motivations -- yet still cooperate.

As I say, we are not without precedents. Americans traditionally have been a nation of self-reliant individuals -- but we've never hesitated to work together when a larger need became apparent.

That willingness to band together can be seen (to return to the 19th century setting) in something as simple as the settlers out West pooling funds to hire a schoolmarm -- or in something as complex as our response to the production demands of a World War.

So there are traditions here -- not only for addressing social needs as business opportunities, but also for working together.

It was the spirit of those traditions that set Control Data on its path described by Bill Norris in your readings. We've come
a long way during those years and we've learned a lot. We've learned that so-called social needs can be -- indeed can best be -- thought of as one more interesting market.

Our feelings in this regard were reinforced by a conference on societal needs and problems in September of 1982. The conference provided the opportunity to describe for a much wider audience the pragmatic nature of a market approach to such needs. Peter Drucker, John Kenneth Galbraith, George Cabot Lodge and Henry Cisneros were among the speakers. Some 250 business leaders and others from across the country participated in workshops. Out of those discussions and workshops came a clear message that if we are to succeed business can and must play a more central role.

Following the conference, at the suggestion of Sandy Bemis Control Data's Board set up a subcommittee to encourage and work with other companies in this market-based approach to major unmet needs.

Given the leading role the Aspen Institute has played in developing forward thinking business executives, it was almost inevitable that the Bemis committee and the Institute would join forces and would become interested in furthering this basic concept. And long story made short, here we are. I'm
looking forward to a stimulating weekend to explore a whole range of exciting business opportunities -- that's always stimulating -- but also I hope that we may come away with something more than just another discussion. I don't know what form that something may take -- that's part of the anticipation. But I do know what's at stake. If business people cannot change to meet the exigencies of a new age -- if business people cannot learn to compete and simultaneously to work cooperatively with each other, with government, and with other sectors of society -- if business people do not understand that they must do so in their own self-interest -- then in the long run business will pay the price of disenfranchisement.

It's my conviction we don't have to pay that price. It's my experience that what is needed does not impose harsh burdens, but on the contrary offers stimulating opportunities. And finally, it's my pleasure to be here with all of you as you explore everything that's involved.

Thank you.