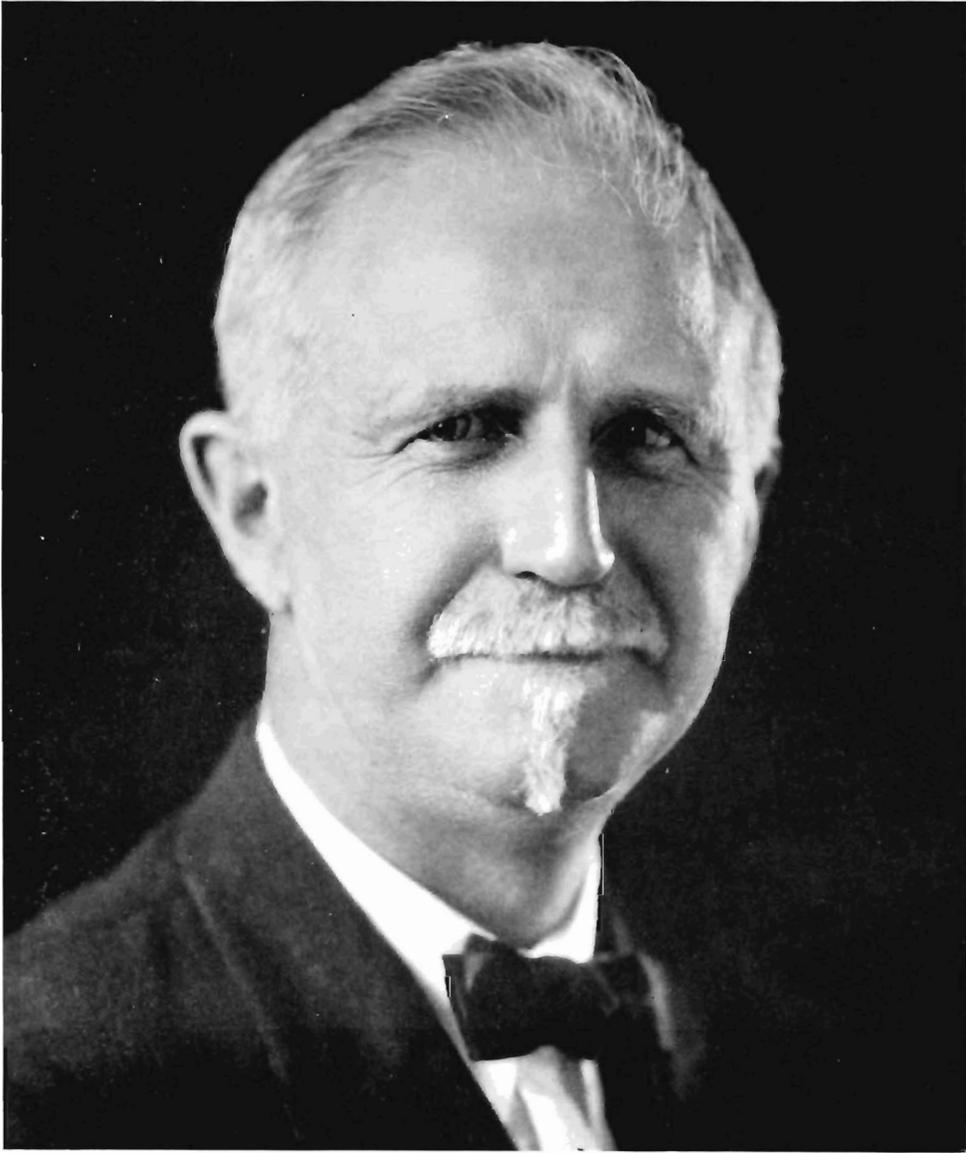


Chile exports huge quantities of nitrates for fertilizer to Germany. Germany sends the finished products to France. The latter country uses this fertilizer for its great vineyards and fields of flowers grown for perfume. France thus creates and exports fine wines and perfumes to the world. In addition France manufactures and exports finished silks made from raw materials received from the Orient.

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ROGER W. BABSON  
Founder  
Babson Institute

# My Word To Babson Men

ROGER W. BABSON

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We all remember when playing marbles, as boys, if one especially good player got all the marbles the game stopped! The truth is that it was impossible to have another game until the other boys earned, borrowed, or stole some more marbles. This general experience applies to sports in other ways. For instance, there is little fun in playing with one who plays a very poor game. Our own sport depends upon playing with efficient partners. Furthermore, the more evenly matched in resources and technique the various partners are, the better is the game for all.

The same principle applies to international relations. If one country should get all the gold, then gold automatically would cease to be the standard for the value of currency. Our own trade is dependent on having other nations prosperous. To have good business between nations, one nation cannot have all the marbles. As each nation has a surplus of some one form of goods, the prosperity of each nation depends upon having the other nations prosperous enough to take its surplus. The prosperity of each depends on the prosperity of all.

Imagine ten men on a desert island with number one man landing with one hundred dollars in gold, and the other men landing penniless. The number one man lends his one hundred dollars to number two man; and number two man lends this same hundred dollars to number three man. Number three man then lends it to number four man and so on until number ten man borrows and has the use of the one hundred dollars. Based on banking finance, the resources of the island have thereby increased from one hundred dollars to one thousand dollars, even though the indebtedness has increased from nothing to nine hundred dollars.

This illustrates how the business of the world is increased by one nation lending to another through the intelligent use of credit. The gold standard helps to *stabilize* currency; but it is much more important to *circularize* currency. The credit of nations depends largely upon their net resources; but the prosperity of nations depends more upon the rapidity with which they circulate goods one between another. This

thought is especially interesting when one reverses the above illustration. The same one hundred dollars could be used for paying up all the indebtedness by number ten man using it to pay number nine; number nine using it to pay number eight and so on down the line. In the same way, the foreign debts between nations could easily be paid if one would start the ball rolling by making a payment and if the others would then keep it rolling.

No man was ever known to hang the red flag of Communism on a home which he owned and for which he had paid. No nation ever suffered revolution when the majority of its people were prosperous. As more people become property owners within a nation, the safer that nation is against disturbances from within. The same principle applies to the family of nations. The safety of each depends upon the safety of the others. Not only does our prosperity depend upon having other nations prosperous, but our safety likewise depends thereon. The safety of the world is dependent upon the prosperity of the weakest link. Remember the great World War started in the little country of Serbia.

More important than all is that it is *right* we should help other people and other nations. We must, however, be sure that we help them in a truly constructive way. Either lending money or cancelling debts does not necessarily mean constructive help. Giving our children all for which they ask is not an evidence of love. Lending a man money with which to buy a gun to kill his neighbor is actually a crime. Yet this is for what much of the money, which American bankers lent to Europe since the war, has been used. The American people were not informed of this at the time, but from now on we will be guilty if further money is used for any such purposes. All this means that having money carries responsibility. Money is like fire, a power for good or evil. The important thing is for us to use it unselfishly, but intelligently.



GEORGE W. COLEMAN  
President  
Babson Institute

# My Word To Babson Men

PRESIDENT GEORGE W. COLEMAN

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Whatever the Institute has given you in the way of knowledge of business is of small concern in comparison with the training you have received. What you have learned about the ways of finance, methods of production, channels of distribution, and human relationships is just so much business capital stored up for future use. Your training at the Institute will largely determine how you use that capital. You will not invest it all at once, and the returns at first will be very small. And you can easily make a poor investment which will set you back some. Only you can do the investing of your business knowledge. Dad can not do it for you nor can anyone else.

Can you appraise values? Does a shining bauble shut out a distant solid value? Have you found out what work will accomplish and what magic can not do? Can you make yourself mind? Can you stick until it is done? Do you really understand that first things come first; that executive leadership is a fruit and not a seed? All this and much more was inherent in your training at the Institute. Will your first boss be able to see it in you? If you were well trained you will make a good investment of the business knowledge you have acquired. In fact you will keep right on training yourself and adding daily to your business knowledge.

But there is something more, a double extra, that this year's graduates will have to keep constantly in mind. Business is sick, very sick, and every last attendant on business will have to prove his worth. You are lucky if you have a chance to serve at all just now. And you need not be squeamish as to just where you serve, whether it is in the cellar, the kitchen, the parlor, or the attic. You are lucky to be in the household at all.

And don't forget that everybody around you will be anxious and dead in earnest. It is no place at all for a play-boy. The business world not only does not feel that it owes you a living, it is greatly concerned that everybody on the pay roll shall do his utmost to help business to live.

## My Word To Babson Men

DEAN JOHN E. MILLEA

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Probably the most common fault among people, or groups of people, or nations, is the refusal to recognize any individual or national responsibility for whatever ills may happen. People as well as nations fail to realize that they get out of society or international association exactly in proportion to what they put into it. Naturally we must think of the nation or of national alliances or lack of alliances, but in the last analysis, success or failure, individually or nationally, depends upon what part the individual plays in whatever sphere of activity he finds himself.

In every generation there is a small group of individuals who are properly classed under the general heading of "genius." These are outstanding and are automatically set apart from others. But intellectual brilliance is not necessarily essential to success. A relative mediocre mentality may sometimes achieve greater success. Accomplishment is proportionate to the effective use of intelligence; that is, success comes as a result of the expenditure of effort which is of value to some one else. Mental capacity can go to seed as quickly as any other faculty, perhaps more so, and in order to be kept on a high plane it must be constantly exercised.

In general, one advances in the same degree as success is achieved by the whole group. It is likewise with nations. One nation cannot progress permanently at the expense of another any more than can an individual. Genuine prosperity can result only from individual activity and cooperative effort. Individuals are too prone to delay. When confronted with a problem one should get all the facts possible, make as careful an analysis as possible, then do something. The inclination which many have "to sleep over" a decision results perhaps in another decision. The process may be repeated with still another conclusion. The result is indecision with a probable reversion to the original decision. Time has been lost, effort has been wasted, and nothing done which might not have been accomplished immediately. An original decision resultant from careful thought and analysis is usually the best—get the facts, analyze them as carefully as possible, then do something.