

## MORAL PROBLEMS IN BUSINESS PRACTICE

I come before you today as a broadcaster, as a businessman, and as an administrator. I am *not* a theologian, but as an administrator—like thousands of other men in the same position—I am called upon to make moral decisions almost every day. The problem of the businessman is not in dealing with open and shut cases. He does not need a theologian to tell him that murder, adultery or stealing are wrong. But he is concerned with the many cases where all the moral aspects are not so clear cut.

His *first problem* is where to go for help. With the exception of labor relations, there is certainly a paucity of literature on business morals and what has been written is certainly not uniform in its conclusions. The Catholic press carries many articles on morals. But I would suggest that you pick one subject and then clip every article, question-answer column and so forth on that subject from all Catholic magazines and newspapers to which you are exposed. At the end of six months or a year examine them all together and compare them. I can assure you that you will be confused whether you are a businessman or a theologian.

So I repeat, the first problem is where does the businessman go for enlightenment. It is obvious that his confessor or his pastor cannot be equipped to decide moral issues on today's intricate business problems. You will say that this is the province of the professional theologian, but as a practical matter, can the businessman rush to the chancellery or the seminary or the theologate every time he has a problem?

Even when professional theologians are available to us we face a new problem in the great diversity of opinion among these professional theologians. For example:

1. I have heard theologians say that is just a penal law—not binding in conscience. And I have heard other theologians say there is no such thing as a penal law.
2. I have heard theologians say: "This is an accepted business practice"; whereas other theologians have said

to me that something is either right or wrong, and this is not changed by accepted practice.

3. A theologian recently told me that misrepresentation on an income tax up to 30% by such devices as overstating contributions and so forth was not morally wrong because the law expected that when it was written; whereas other theologians have said that this was morally wrong and an injustice to those honest taxpayers who must then pay a disproportionate share.

So our great problem is where *do* we find the answer to some of these knotty problems that arise out of the complexities of today's so-called big business. Let me pose just a few.

1. A salesman receives a salary of \$10,000 a year. In addition, he turns in an expense account of \$5,000. The employer *knows* the expense figure is not valid. But the man is a good salesman and the employer would rather look the other way and pay the \$5,000 than risk losing the salesman. The salesman satisfies *his* conscience because he has the employer's tacit approval. The employer is satisfied because he was willing to pay \$15,000. You ask why he didn't pay \$15,000 salary in the first place? The answer is the expense money is non-taxable. The \$5,000 in additional salary would have to be shared with the Government via the income tax. Now, is the salesman guilty of dishonesty? Is the employer guilty of *encouraging* dishonesty? And has the employer connived with the salesman to cheat the Government? This is only one of the multitude of expense account problems. The *whole* matter of expense accounts could furnish a fertile field for theological research.
2. Income tax poses manifold problems on which there seem to be so many different theological opinions which need clarification. If you sign your name stating that to the best of your knowledge this is a true report and *it is not*, is this perjury? Or, as one theologian put it, are you not merely signing your name signifying that this is as much as you are willing to report? Or, as I mentioned earlier, can you pad your contributions or business expenses on the ground that everybody does and that is what the Government expects?
3. Another field where there are so many borderline cases is the matter of business entertainment. When are you

accessory to immorality? A customer visits your city. He is a married man. He wants a date for dinner. You feel sure that he merely wants company and has no ulterior motive. But *is* this the opening wedge in the eventual destruction of his marriage? And must the effect that this date with the married man has on the unmarried secretary be taken into consideration?

Let me go a step further. The customer merely asked you to get him a date. Must you inquire into his marital status and must you inquire into the purpose of the date?

Or let me take another case. You are entertaining an out-of-town associate. On his *own* he gets a date. He frankly tells you the purpose of the date is immoral. By having dinner with this couple or entertaining them, are you tacitly approving their adultery?

Let's take the case of the young salesman, anxious to make his mark. He is in a strange city with some of his business associates—some are married. They are all going to have dates and go out together. As a married man he does not want to have a date, but he feels that it will hurt his standing if he does not. Is he allowed to accept the date if he watches his conduct? What about the young salesman who knows that if he doesn't get the girl for the customer, he could lose the order and maybe his job?

4. In your private life you may choose your entertainment with a right conscience. But in your business entertainment or in your travelling with associates you find yourself with a group that wants to attend a place of questionable amusement such as a night club featuring stripteasers or indecent exposure. Should you accompany them—recognizing that you are doing it only for business reasons? Or must you drop out of the party at the risk of being conspicuous, criticized or even ridiculed?

Similar to this is the case where the same young man goes out with a party of his associates. Because of his inexperience, he doesn't know the reputation of the particular place of entertainment. It is not long before he realizes that he is in the midst of some very indecent entertainment which certainly would not have been of his own choosing. Must he leave the party with all its attendant embarrassment?

5. A new problem has recently arisen, and that is the matter of segregation. As a businessman, you would like

to belong to the X Club. But the X Club refuses membership to people of Jewish descent or to Negroes. Is your membership aiding and encouraging the club in its practice? Let us say that your position is such that your patronage gives prestige to and is valuable to the restaurant. Do you have any obligation to avoid patronizing the restaurant which adheres to the segregation line? Must you give any preference to the restaurant that does not discriminate against any race or creed?

6. In your employ is a man whom you know to be definitely immoral. His immorality does not affect his work to the best of your knowledge. But he knows that you are aware of it. Do you condone his actions by keeping him in your employ? Or do you exceed your rights if he loses his job because his moral code is not the same as yours?
7. What about the man who works for your company but not in your department or division. You know him to be immoral. Are you negligent if you do not report this to his superior or are you uncharitable if you do?

There is a whole field where the employer needs illumination on how far he should go in condoning or at least harboring immorality.

There are many other subjects that time prohibits our exploring today, such as the advertising illustration featuring a girl in a bathtub. The advertisement is not selling bathtubs or soap, but phonograph records or lawnmowers.

What about price cutting to eliminate competition?

What about your getting information about a competitor through the skillful use of one of his employees who may be either stupid or dishonest?

When does the use of liquor become immoral in business?

There are some of the problems facing the businessman today.

There are a tremendous number of businessmen who are very sincere and who want to operate on the highest moral plane. They recognize that there are many cases that are not all black nor all white from the standpoint of right and wrong, so they must look to you—the theologians—to give them the answer. They really need your help and they are asking for it.

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