

Calvin Coolidge: A Conservative

(Calvin Coolidge, *Address Before the Chamber of Commerce of the State of New York regarding Government & Business*, given on November 19, 1925.)

...I should put an even stronger emphasis on the desirability of the largest possible independence between government and business...

While there has been in the past and will be in the future a considerable effort in this country of different business interests to attempt to run the Government in such a way as to set up a system of privilege, and while there have been and will be those who are constantly seeking to commit the Government to a policy of infringing upon the domain of private business, both of these efforts have been largely discredited...

...Except for the requirements of safety, health, and taxation, the law enters very little into the work of production. It is mostly when we come to the problems of distribution that we meet the more rigid exactions of legislation. The main reason why certain practices in this direction have been denounced is because they are a species of unfair competition on the one hand or tend to monopoly and restraint of trade on the other. The whole policy of the Government in its system of opposition to monopoly, and its public regulation of transportation and trade, has been animated by a desire to have business remain business. We are a politically free people and must be an economically free people.

It is my belief that the whole material development of our country has been enormously stimulated by reason of the general insistence on the part of the public authorities that economic effort ought not to partake of privilege, and that business should be unhampered and free. This could never have been done under a system of freight-rate discriminations or monopolistic trade associations. These might have enriched a few for a limited period, but they never would have enriched the country, while on the firmer foundation of justice we have achieved even more ample individual fortunes and a perfectly unprecedented era of general prosperity. This has resulted in no small part from the general acceptance on the part of those who own and control the wealth of the Nation, that it is to be used not to oppress but to serve. It is that policy, sometimes perhaps imperfectly expressed and clumsily administered, that has animated the National Government. In its observance there is unlimited opportunity for progress and prosperity. It would be difficult, if not impossible, to estimate the contribution which government makes to business. It is notorious that where the government is bad, business is bad. The mere fundamental precepts of the administration of justice, the providing of order and security, are priceless. The prime element in the value of all property is the knowledge that its peaceful enjoyment will be publicly defended.

...Regulation has often become restriction, and inspection has too frequently been little less than obstruction. This was the natural result of those times in the past when there were practices in business which warranted severe disapprobation. It was only natural that when these abuses were reformed by an aroused public opinion a great deal of prejudice which ought to have been discriminating and directed only at certain evil practices came to include almost the whole domain of business, especially where it had been gathered into

large units. After the abuses had been discontinued the prejudice remained to produce a large amount of legislation, which, however well meant in its application to trade, undoubtedly hampered but did not improve. It is this misconception and misapplication, disturbing and wasteful in their results, which the National Government is attempting to avoid. Proper regulation and control are disagreeable and expensive. They represent the suffering that the just must endure because of the unjust. They are a part of the price which must be paid to promote the cause of economic justice.

Undoubtedly if public vigilance were relaxed, the generation to come might suffer a relapse. But the present generation of business almost universally throughout its responsible organization and management has shown every disposition to correct its own abuses with as little intervention of the Government as possible. This position is recognized by the public, and due to the appreciation of the needs which the country has for great units of production in time of war, and to the better understanding of the service which they perform in time of peace, ...a new attitude of the public mind is distinctly discernible toward great aggregations of capital. Their prosperity goes very far to insure the prosperity of all the country. The contending elements have each learned a most profitable lesson.

...During the past five years the Department of Commerce has unceasingly directed attention to the necessity for the elimination of waste. This effort has been directed toward better cooperation to improve efficiency in the use of labor and materials in all branches of business. This has been sought by the necessary cooperative action among individual concerns within industrial groups, and between producers and consumers. This does not imply any diminution of fair competition or any violation of the laws against restraint of trade. In fact, these proposals have been a protection to the smaller units of business and a most valuable asset alike to the producer, wage earner, and consumer.

The result of the realization of these wastes and the large cooperative effort that has been instituted in the community to cure them, whether with the assistance of the Government departments or by independent action of the groups, has been the most profound factor in this recovery made in the past five years. There can be no question that great wastes have been eliminated by these activities in the business community through such actions as the abolition of car shortages; by improved equipment and methods of management of our railways; the cooperation with shippers to save delays; the remarkable advance in the electrification of the country with all of its economies in labor and coal; the provision of better economic and statistical information as to production, stocks, and consumption of all commodities in order that producers and consumers may better adjust supply to demand, thereby eliminating speculation and loss...

All this represents a movement as important as that of 20 years ago for the regulation of corporations and conservation of our natural resources. This effort for conservation of use of materials and conservation of energy in which our whole country has engaged during these five years has been in no small part responsible for the rich reward in the increasing comfort and living standards of the people. But in addition to bringing about a condition in which the Government debt is being rapidly liquidated while at the same time taxes are

greatly reduced, capital has become abundant and prosperity reigns. ...Thus, as a result of greater economy and efficiency, and the elimination of waste in the conduct of the National Government and of the business of the country, prices went down while wages went up. The wage earner receives more, while the dollar of the consumer will purchase more. The significance and importance of this result cannot be overestimated.

This is real and solid progress. No one can deny that it represents an increase in national efficiency. It must be maintained. Great as the accomplishments have been they are yet but partly completed. We need further improvement in transportation facilities by development of inland waterways; we need railroad consolidations; we need further improvement of our railway terminals for more economical distribution of commodities in the great congested centers; we need reorganization of Government departments; we need still larger extension of electrification; in general, we need still further effort against all the various categories of waste which the Department of Commerce has enumerated and so actively attacked, for in this direction lies not only increased economic progress but the maintenance of that progress against foreign competition. There is still plenty of work for business to do.

By these wise policies, pursued with tremendous economic effort, our country has reached its present prosperous condition. The people have been willing to work because they have something to work for. The per capita production has greatly increased...

The working out of these problems of regulation, Government economy, the elimination of waste in the use of human effort and of materials, conservation and the proper investment of our savings both at home and abroad, is all a part of the mighty task which was imposed upon mankind of subduing the earth. America must either perform her full share in the accomplishment of this great world destiny or fail. For almost three centuries we were intent upon our domestic development. We sought the help of the people and the wealth of other lands by which to increase our numerical strength and augment our national fortune. We have grown exceedingly great in population and in riches.

This power and this prosperity we can continue for ourselves if we will but proceed with moderation. If our people will but use those resources which have been entrusted to them, whether of command over large numbers of men or of command over large investments of capital, not selfishly but generously, not to exploit but to serve others, there will be no doubt of an increasing production and distribution of wealth...