

NOTES FOR ADDRESS BY THE PRESIDENT

ON COOPERATION WITH BUSINESS

My friends, the well-loved and well-remembered President whose resolute spirit guided this country through the period of the World War, but who came into the Presidential office while the world was still at peace, stated in his first inaugural address the meaning of the change of government that had come about when first the House of Representatives, in 1911, and then the Senate and the offices of President and Vice President, in 1913, were put into the hands of Democrats.

"It means much more," President Wilson said on that occasion, "than the mere success of a party. The success of a party means little except when the Nation is using that party for a large and definite purpose. No one," he went on to say, "can mistake the purpose for which the Nation now seeks to use the Democratic Party. It seeks to use it to interpret a change in its own plans and point of view."

And what was that change in plans and point of view which brought President Wilson and Vice President Marshall and a Democratic Senate and House into office on March 4, 1913? As President Wilson saw it, it was a decision on the part of our people to count the human cost of our great industrial achievements. It was a decision to "look into and scrutinize with candid, fearless eyes" the many deep secret things that had gone along as the uncounted cost of the heedlessness and hurry in which our industrial greatness had been achieved; a decision to curb the excesses and abuses of those who had made use of government for private and selfish purposes, and who in this misuse of government had forgotten the people.

"There has been something crude and heartless and unfeeling," President Wilson said, "in our haste to succeed and be great. Our thought has been 'Let every man look out for himself, let every generation look out for itself,' while we reared giant machinery which made it impossible that any but those who stood at the levers of control should have a chance to look out for themselves."

And so he wisely interpreted the large and definite purpose for which the Nation was using the Democratic Party as being to reestablish the fundamental policy of our democratic form of government. This, as he then reminded us, was "to serve

the humblest as well as the most powerful, with an eye single to the standards of justice and fair play." Justice, not pity, was the firm basis of government. But, said President Wilson—and we know it to be profoundly true—"there can be no equality of opportunity, the first essential of justice in the body politic, if men and women and children be not shielded in their lives . . . from the consequences of great industrial and social processes which they can not alter, control, or singly cope with."

It was for a similar and even more difficult work of restoration of government to the needs of our common life that the Nation again turned to the Democratic Party in the breakdown of our industrial and financial system that began in the autumn of 1929. Again the Nation was using the Democratic Party for a large and definite purpose. Again there was no mistaking the purpose. It was to reconstruct our industrial and financial system, and to remedy the conditions that had caused it to break down when it was at its highest point of productive efficiency, plunging us into a state of depression and unemployment such as no other country experienced.

For nearly a decade following the change of government after the World War, industry and finance had been permitted to go at a heedless, reckless pace, never pausing to consider the ultimate economic consequences and their cost in human misery and

privation. "A return to normalcy" it was called at first, and then "a new era of prosperity." Permanent prosperity it was to be, with poverty forever abolished by the booming operation of industrial and financial enterprise. That, at any rate, was how the story ran in Washington as well as in Wall Street, and in the newspapers and magazines that took their cue from the great business leaders whose hands were on the levers of industrial and financial control.

Government in those years placed no restraining hand on our booming industry and finance, no obstacle in the path of this new-found prosperity that was to abolish poverty and distribute the plenty that our war-time productive efficiency had shown us to be capable of attaining. On the contrary, the booming business of the 1920's was fostered and aided by government, and pointed to with immense pride and satisfaction by the party then in power. Men high in the councils of industry, finance, and government hailed it as the crowning achievement of cooperation between government and business.

But in the long run--and not a very long run at that--it was found to be for the great mass of our people, including the rank and file of our business men and their employes, a very costly achievement. Poverty was not abolished; workers were not made secure in their employment; small business men were not safeguarded

in their initiative and enterprise; the thrifty were not protected in their hard-earned savings; the plenty that we were capable of producing was not widely and wisely distributed. What Wall Street and Washington in those rash years called permanent prosperity was but the self-delusion of wealthy visionaries and adventurers--big business men and bankers who would disdain being called theorists, but who were unpractical, dangerous theorists nevertheless, blinded by their own quick and easy profits to the danger for the country as a whole of the pace they were setting.

The cooperation or alliance between government and business was delusive, too. It was a fair-weather arrangement. While business was booming, government did all the "cooperating," without exacting from business any provision against the day when our people should desperately need the cooperation of either business or government to meet the hazards of depression and the hardships of involuntary unemployment and dependence. In the long run that alliance between government and business profited only the powerful few, whose fortunes, already huge, were greatly increased, and in whose hands control of the productive wealth of the country became, as a result of depression, bankruptcies, and foreclosures, even more concentrated than it had been before.

During those years of delusive prosperity and of government cooperation with business, we had gone a long way from the

democratic policy of economic justice, of equality of opportunity, that Woodrow Wilson had sought to reestablish before the World War. And during those years also, as during the earlier years that President Wilson had spoken of, excesses and abuses had again grown like weeds in an untended garden, and men who used government for private and selfish purposes had again forgotten the people.

I need not remind you now of the disastrous plight to which our people were brought by that wanton pace of industry and finance and that vain complacency and easy acquiescence of government. What I would remind you of is that voices are now being raised—powerful, insistent voices—to complain that government is not cooperating with business; that government is hostile to business; that business is held in restraint by government; that government is impeding rather than furthering the processes of recovery and prosperity. Some industrialists and financiers in our great manufacturing and money centers are making a great to-do because the pace of business is not yet fast enough. They could make it faster, they say—and the part of the press that takes its cue from them echoes their words—"if government would only cooperate."

This complaint is being made an issue in the campaign on which the major political parties of the country are now

engaged. It is being made a party issue. It is against the Democratic Party, as the maker of governmental policy these past three years and the party traditionally opposed to special privilege, that the complaint is made and the issue raised. It is to the opposing party that the thriving but complaining industrialists and financiers look, confident of sympathy, for the kind of "cooperation" they have received from that party in the past.

I think it is unlikely that many persons will be deceived by the fine feathers of cooperation in which the figure of special privilege has thus been decked out. A noted French poet has said that a single word often betrays a great design. So it is with this word "cooperation" on the lips of men accustomed to policies at Washington and to practices in Wall Street that led to swollen fortunes and to great concentrations of corporate power.

The intelligence and sober judgment of our people, and especially of our small business men and farmers and workers who are not admitted to the councils of the great industrialists and financiers, will discern, I am sure, what those men mean who demand the cooperation of government with business, but who challenge and resist every effort of government to protect the rights of the people in their struggle for existence, every effort of government

to lessen the enormous inequalities that characterize this age of corporate domination of business opportunity.

The persons who complain, mistakenly, of a lack of cooperation on the part of government, have yet to learn, my friends, what the word cooperation really means. They still think of cooperation as a one-sided affair, in which they are to do what they wish to do and government is to do what they wish it to do and refrain from doing what they do not wish it to do—as if government were but an accessory of industry and finance, and not, as Burke has fittingly defined it, "the Nation in its collective corporate character." At times their idea of cooperation is for government to grant some protection or exemption, some subsidy or guaranty, some shift in the tax burden, for the special advantage of this or that group in industry or finance. More often, however, what they mean by cooperation is not some positive act of assistance on the part of government, but a negative policy.

This negative or do-nothing kind of cooperation, so called, is what they are demanding now. They would have government stand aside, close its eyes, and let business have its own way. They want to be assured that there will be no governmental interference, as they call it, with business. Now that their own profits are rapidly rising and their fright of the depression years forgotten,

they want no further governmental effort to shape the course of business, no effort by government to regulate the pace of business in the interest of general stability and security, no governmental insistence on a regard for humanitarian and social considerations in the conduct of business and in the accumulation and distribution of corporate profits. For government to concern itself with such things, they protest, is contrary to what they are pleased to call "the American way;" and in the party which they support--the party which they have always supported--they in turn find support for this point of view.

Nowhere in all their talk about cooperation do we find any hint of a realization on their part that cooperation is a game two or more must play at, that government cannot play it alone. Yet the meaning of the term is in fact very simple and to most persons well known. To cooperate is to operate together for a common object. Cooperation between business and government means, therefore, if it means anything, joint action for the good of the country as a whole. It means working together to protect and promote what is good in our economic life. It also means, no less, working together to combat and prevent what is against the common interest. It means working together to remove as far as possible the conditions that threw the country into industrial and financial chaos from 1929 to 1933. It means joint action to check those

developments and tendencies in our industrial and financial life that give some men an unfair advantage in business over others, that enable the crafty and unscrupulous to exploit workers and consumers and investors, that frustrate the efforts of ordinary men and women to earn a steady livelihood and make some provision for the future.

What do we find the attitude of our great industrialists and financiers to be toward that kind of cooperation between government and business? Do they show a friendly spirit, a far-sighted understanding, a willing disposition to help, when government undertakes to remedy conditions that hard experience has proved to be against the welfare of the Nation as a whole? Have they ever joined forces with government to curb or stamp out business practices that anyone not blinded by self-interest could see to be mistaken and harmful?

Unfortunately, my friends, the kind of cooperation that places the public interest ahead of selfish interest is not the kind of cooperation that those who clamor and complain the loudest conceive. It has not been their habit, either in recent years or in the longer past, to uphold the hands of administrations that have sought to improve the condition of the great masses of our people. They have never been willing to concede, when a measure affecting business practices was at stake, that the interest of

all the people comes first. The greater stability and more equitable profit of business as a whole has never been their idea of the common object for which government and business might cooperate.

On the contrary, whenever government has set out to raise the standards of business or financial practice, or to lessen the extreme inequalities of economic opportunity, government has met almost invariably with the solid and determined resistance of the great industrialists and financiers, the great national associations of business men and bankers, the great newspapers and periodicals that think only as big business thinks and speak only as big business speaks. Opposition, not cooperation, has been the instinctive and habitual attitude of organized business toward liberal and progressive government.

No administration that has dared question the unregulated workings of self-interest in corporate practice, or the unrestricted growth of corporate power without corporate social responsibility, or the unrestrained piling up of huge personal fortunes and concentrated corporate wealth at the top of industry and finance while the great mass of our business men and workers experienced increasing instability and insecurity—no administration, I say, that has called into question these grave defects and dangers of modern business has escaped

the charge of being hostile to business, of interfering with business and hampering its progress, of shaking the confidence of capitalists in such a way as to cause them to hold back magnificent schemes of expansion and employment. Nor has any liberal and progressive administration escaped the bitter hostility and hatred, the harsh invective and sharp ridicule, of organized business and its journalistic allies.

To illustrate how impossible it is for a government mindful of the public interest to accord to business the do-nothing kind of cooperation, the assurance of non-interference, that business demands whenever government undertakes to modify or restrain some corporate practices in order to further the common interests of all business and the public, I need not go beyond the clear recollection of most of you who are hearing me tonight. Let me recall to you, then, a few memorable measures that were adopted against the determined opposition of industrial and financial leaders, business organizations, and much of the press, during the administrations of two recent great liberal and progressive Presidents, Theodore Roosevelt and Woodrow Wilson--two great champions of individual freedom and enterprise who placed human rights above corporate privileges and challenged the menacing concentration of corporate power and large personal fortunes in the hands of men indifferent to the means by which their wealth and power were

obtained.

The measures that I shall mention were all, mind you, regarded by many honest and intelligent business men, even in comparatively recent years, as unwarranted and dangerous interference by government with the freedom of business enterprise, as hampering and harmful to business, and as obstacles to prosperity. Yet after the enactment of these measures the national wealth and income did continue to grow enormously, and the productive capacity and efficiency of our people reached heights that had never before been attained. Today business men accept these measures as matters of course, and all but the most extreme reactionaries concede them to be indispensable to the public interest and the national welfare.

The act creating the Interstate Commerce Commission was passed by Congress in 1887. It was regarded on the one hand as the culmination of a long fight of the agrarian west against the exploitation of the railroads by the financial and industrial east—against the manipulation of railroad systems and railroad securities, against freight and passenger rates levied on the principle of charging all the traffic would bear, against secret rebates and other discriminations by which specially favored corporations and individuals profited at the expense of passengers, shippers, and consumers generally. The opponents of the act, on the other hand, regarded it as nothing short of confiscation—an indefensible invasion of the property rights of

the railroad companies and the owners of railroad securities.

So great, in fact, was the power and force of the opposition, so successful were the efforts of the railroads' interests in their resistance to the lowering of rates on interstate shipments, so hampering to the efforts of the Interstate Commerce Commission were the adverse court decisions and the subsequent indifference of Congress, that for nearly twenty years the essential purpose of the act was nullified. What had been intended in 1887 to be a commission to protect the interests of small business men and farmers and the traveling public, was reduced simply to an investigating body, restricted by the courts from taking any effective action to remedy the discriminatory practices and the excessive rates disclosed by its investigations.

In consequence, it was not until 1903, during the first term of President Roosevelt, that a law was passed to put an end to the practice of the railroads in granting rebates to favored shippers. It was during his second term, and at his instigation, that Congress, in 1906, authorized the Interstate Commerce Commission to nullify rates that it found to be discriminatory or unreasonable. It was at this time also that the discriminatory practice of issuing passes to favored travelers was prohibited, that provision was made for the publication of railroad schedules and rates, and that the Interstate Commerce Commission was empowered to investigate the ownership by

railroads of stock in other corporations, including particularly coal and oil companies.

As one of Theodore Roosevelt's biographers has well said, these laws are likely to stand historically among our epoch-making legislation. But how, my friends, could Theodore Roosevelt have cooperated with the powerful industrial and financial interests that opposed this epoch-making legislation? Only by doing nothing. What encouragement and assurance could he have given them that would have inspired them with confidence in his attitude toward business? Only the promise that government would not interfere with practices that were repugnant to his sense of square dealing, injurious to the public interest, and plainly destructive of free and fair competition and of individual enterprise and opportunity.

The Sherman Anti-Trust Act was passed by Congress in 1890. Like the Interstate Commerce Act, however, it remained, for a number of years, largely ineffective. In fact, it was virtually a dead letter for more than a decade. Huge industrial combinations continued to be formed and to reach out for the control of competing concerns, with scant regard to whether that control was obtained by fair means or foul. The means of production in important fields of industry were absorbed, competitors were bought out for a song or driven to the wall, the public was exploited by price-fixing methods that flouted the principle of free and fair competition. Against these monopolistic combinations in restraint of trade--the oil trust,

the sugar trust, the meat trust, the leather trust, the rubber trust, the tobacco trust, the match trust, the whiskey trust, and so on—unorganized sellers and buyers of goods and services, the individual business enterprise and the small corporate enterprise, the vast majority of workers and the whole body of consumers, were powerless.

Is it to be wondered that Theodore Roosevelt denounced as malefactors of great wealth, and enemies of society, and corrupters of politics, the business men who had been so long defiant of the public interest and the public law? Nearly everyone will agree nowadays that his vigorous prosecution of the anti-trust law was abundantly justified by the danger to free business enterprise that the rapid growth of these great industrial combinations represented. But at that time—only some thirty years ago—the cry of persecution went up from organized business and its minions of the press, the President was unsparingly assailed as a mischievous and destructive crusader and reformer, and the powerful leader of the first of the great combinations against which suit had been successfully prosecuted, on the President's initiative, complained bitterly "that we should be compelled to fight for our lives against political adventurers who have never done anything but pose and draw a salary."

Government cooperation with business? There was only one way in which the rough-riding "trust buster" could have cooperated

with business. That was to do nothing. The only way he could have inspired confidence in his administration on the part of the Napoleons of industry and finance was to betray the public trust. But Theodore Roosevelt was a public servant of plain words and plain purpose. "I neither respect nor admire," he said, "the huge moneyed men to whom money is the be-all and end-all of existence." And again: "The growth of intelligence and the diffusion of wealth in such a manner as will measurably avoid the extreme of swollen fortunes and grinding poverty--this," he wrote, in the sixth year of his presidency, "is the idea toward which I am striving."

The idea that the powers of government might be used, not only to restrain the excesses and abuses of predatory wealth, but actually to accomplish a more equitable distribution of wealth, was revolutionary both to men in business life and men in public life when Theodore Roosevelt was in the White House. In fact, such a political or economic doctrine is still, I fear, abhorrent to most of our great industrialists and financiers and publishers, and to men in public life who reflect their views. Nevertheless, my friends, the idea that Theodore Roosevelt expressed is one that many of us--most of us, I believe--firmly hold to. We perhaps have today an even clearer understanding, growing out of our experience in the 1920's and the ensuing depression, that the piling up of huge personal fortunes and corporate wealth, without providing a continuous widespread diffusion of purchasing power to the great masses of

our people, is not only bad social policy, but bad business policy as well.

In these days it does not seem to our housewives a revolutionary or even an extraordinary thing that government should provide for the inspection of meat and food products that are shipped from our packing houses to shops and warehouses throughout the country. Nor does it seem to these housewives an obstacle to prosperity and a menace to free institutions and the American way of life that government should legislate against impure and adulterated and misbranded foods and drugs. Some of our business men and publishers and advertising agencies still resist strenuously when the effort is made by government to improve and strengthen these laws, but for the most part our business men, no less than the women of the country, accept the Federal inspection of meat and the Federal regulation of foods and drugs and liquors as measures of humane social policy and as necessary to the protection of the public health and safety.

But these are measures that were put on the statute books only in the second term of Theodore Roosevelt, after the conditions in the meat-packing industry had become a national shame and reproach. The attitude then of organized business toward this interference of government with the freedom of business enterprise is described by a celebrated historian in the terse observation that the food, drugs, and meat laws "were enacted in 1906 with a din that seemed to shake the pillars of heaven." Here again it is necessary to remark only that a do-nothing policy would

have satisfied the business men by whom these measures were opposed.

The income-tax law, which is now an accepted part of our Federal fiscal system, bears in many respects the distinct mark of the Democratic Party, though in the long, hard fight to establish the principle that taxes should be levied on the basis of ability to pay, the Populists of the 1890's and the progressive Republicans of the first decade of the present century carried their full share of the battle against entrenched wealth and organized business. It was in 1894, in President Cleveland's second administration, that a Democratic Congress first enacted an income-tax measure. But twenty years were to elapse before income-taxes were actually paid into the Treasury.

The attitude of business toward the tariff and revenue act in which the income-tax was first provided, and in which the tariff provisions were far from the reforms that President Cleveland had contended for, is best expressed in these words of his public statement on the act: "The trusts and combinations--the communism of self--whose machinations have prevented us from reaching the success we deserve, should not be forgotten nor forgiven."

The determined resistance of organized business to an income-tax continued after the law was enacted, and it was only a matter of months before the Supreme Court, by one of those five-to-four decisions that have become historic, held the law to be unconstitutional and the Federal Government without power to levy a tax on incomes.

Arguing before the Supreme Court, one of the great leaders of the Republican Party declared: "The act of Congress which we are impugning before you is communistic in its purposes and tendencies and is here defended upon principles as communistic, socialistic-- what shall I call them?--populistic as have ever been addressed to any political assembly in the world." Said the justice who wrote the majority opinion of the Supreme Court: "The present assault upon capital is but the beginning."

It is instructive to recall also, my friends, the views expressed then by some of the newspapers that have been most belligerent in their attacks on the relief and recovery measures of the New Deal and that are today most vociferous in expressing the demands of various leagues and associations of organized wealth and corporate power.

"Thanks to the Court", said one of these newspapers of the defeat of the income-tax law, "our government is not to be dragged into a communistic warfare against the rise of prosperity and the rewards of industry." Said another of these newspapers: "The wave of the socialist revolution had gone far, but it breaks at the foot of the ultimate bulwark set up for the protection of our liberties. Five to four the Court stands like a rock." The picture of a rock standing five to four is not without humor, but even newspaper editors, when they become emotional and excited, sometimes lapse into curious

figures of speech.

But if advocacy of the income-tax was communism, then the country, slowly but surely, was going communistic, and Theodore Roosevelt and Woodrow Wilson were among the communists. By 1909 the public demand for the measure was so great that a coalition of Democratic liberals and Republican progressives was able in 1909 to compel a reluctant Congress to submit to the States an income-tax amendment to the Constitution. Within four years a Democratic Congress under President Wilson promptly enacted the first revenue measure under which wealth was made to pay its fair share of the Federal taxes.

Now there, my friends, was a twenty-year struggle to establish a principle of taxation that today nearly everyone regards as just and reasonable, however much some of the more favored of fortune may grumble when the principle is applied in practice. But what if it were today that the struggle were beginning? Would business be any more enlightened, any more willing to accept the principle, than business was during the twenty-year struggle of the past? Or would it denounce the very suggestion of an income tax as an attack on business, and a fatal blow to industrial and financial confidence and business recovery?

The answer to those questions can only be conjectural. Of one fact, however, there can be no doubt. The only kind of governmental cooperation that would have satisfied business when the

income-tax law was at issue would have been for government never to have put that law on the statute books.

The return of the Democratic Party to power in 1913 under the leadership of President Wilson was signalized by one of the most far-reaching and most constructive legislative programs ever enacted by Congress in any period of the country's history. Besides the income-tax law that I have just mentioned, a tariff reform that was 50 years overdue was effected, the banking and currency system was reorganized and the Federal Reserve System established, the Federal Land Bank System and the Federal Trade Commission were established, the anti-trust laws were strengthened and a curb put on interlocking directorates, the issuing of railroad securities was brought under the regulatory powers of the Interstate Commerce Commission, the Seamen's Act was enacted to improve the conditions of workers on our merchant ships, the eight-hour day was established by law for railroad trainmen.

These are some, but not all, of the measures of those few years preceding our entry into the World War, and carried through for the most part after that war had begun. Most of you must still remember how solid a front organized business and banking maintained against the program. For some of you who may not remember, let me quote, very briefly, a few words that will themselves sound familiar enough.

When the Wilson Administration had been in office little more than a year, one of the great journals that is something of a Bible in Wall Street remarked, that there had been one consolation when war with Mexico had seemed almost inevitable. That consolation for the prospect of war with Mexico was, to quote this journal, "that perhaps Congress and the benevolent theorist who dominates Congress in such an extraordinary degree might be so much occupied with the problems of a real war as to relax their attempts to throttle industry and trade under the name of cure."

At this same time one of the great State associations of business men and bankers went on record with a statement that has done yeoman service for many an industrialist, financier, and editor--namely, that "business needs nothing so much as a term of rest." The annual convention of a national association of industrialists, also in session at this time, solemnly adopted the well-worn resolution that "hostility to business must stop." An association of bankers, in a long petition addressed to the House Judiciary Committee, protested that to prohibit interlocking bank directorates would "do more to tear down and lower the tone of bank management in this country than anything which has occurred in all the years gone by." In a referendum on the Clayton Anti-Trust Bill, the membership of our largest national association of business men voted 531 to 22 "that

there should be no attempt by statute to forbid discriminations in prices of commodities."

Of all the measures in the notable legislative program of President Wilson's first term, that which was most vindictively assailed and most strenuously resisted by business and banking interests and the big-business press was the Federal Reserve Act. Describing the bill put forward by Senator Glass--then chairman of the House Banking and Currency Committee, and then as now and always animated by the highest public purpose and moved only by a deep concern for the welfare of our banking system--one of the great Wall Street newspapers, whose views were typical of the rest, had this to say:

"It is difficult to discuss with any degree of patience this preposterous offspring of ignorance and unreason, but it cannot be passed over with the contempt it deserves. It is a serious matter for the country, and public opinion should be aroused against it. Men of knowledge and judgment in banking and in business should visit it with their condemnation and, if possible, drive the committees of Congress to abandon the progeny of fanaticism. The public has been soothed by equivocal denials that Bryan has been having any hand in framing this measure, but this provision for a Government currency and an official board to exercise absolute control over the most important of banking functions is covered all over with the slime of Bryanism."

Now I need hardly remind you, my friends, that the very same interests which had used every resource at their command to frustrate this measure that was, to them, the most obnoxious in the Wilson program, came in time to be its firmest friends and most ardent champions--so much so that when its own author, Senator Glass, proposed to amend it after the collapse of the speculative orgy that he had so long and

prophetically condemned, the banking and financial community and the whole Wall Street press rose in alarm to protest that the Federal Reserve Act was the bulwark of banking liberties and must be defended to the last man against the Glass Bill. Senator Glass, fortunately, has a sense of humor and a long memory. He was neither surprised nor disturbed, therefore, to hear his bill denounced for two years prior to 1933 as a dead weight on financial confidence and an insurmountable obstacle to business recovery.

In short, my friends, opposition is the fixed and unbreakable and perverse habit of these men and their leagues and associations and newspapers. They know no other course where liberal and progressive government is concerned. They talk cooperation of government with business, but they mean inaction--the inaction of government that is special privilege of the most coveted kind to the wealthy and powerful whose hands are on the levers of industrial and financial control. They do not want in public office men who will dispute their arrogant claim to direct and dominate the Nation's economic life, or who will assert that there is a difference between the opportunities of gigantic corporate power and the opportunities of ordinary men. They do not want--they actually fear--individual enterprise and equality of opportunity.

Active, vigorous, and resultful cooperation in the public interest, between business and government, is beyond their comprehension, as the experience of the depression made only too evident. Cooperation of a sort between government and business was attempted then. There was in the early winter of 1929 an undertaking on the part of business to maintain wages and to divert to industrial construction part of the huge capital funds hitherto employed in speculation. On the part of the

Administration at Washington there was an undertaking to stimulate the construction of public works by the Federal, State and local governments. There was a conference with business and banking notables, and there was a committee of cooperation. There was even a message to Congress about the obligation of government to support the public welfare and about voluntary measures of government cooperation with business already initiated. "I am convinced," said the President to Congress on December 2, 1929, "that through such measures we have re-established confidence."

Two and a half years later, on August 26, 1932, there was another conference to which industrial and financial leaders were brought from all over the country. In the morning there was a program of congratulatory and reassuring speeches, in the middle of the day there was an outdoor luncheon, and in the afternoon various groups met separately for informal discussions. Then the industrial and financial leaders returned to their homes wondering still what the momentous program of action was that had brought them to Washington. It still remains unrevealed.

Another cooperative movement midway between these two conferences was the C.R.O., or Citizens' Reconstruction Organization. It was called into being by the President to combat the fear of ~~bank~~ hoarding ^{bank failures.} ~~failures~~ occasioned by ~~hoarding~~. The task of organizing and directing its activities was entrusted to Colonel Frank Knox, the publisher of the Chicago Daily News, and now a candidate for the high office of Vice President. The distinguished director made several encouraging addresses, but despite these the sale of Reconstruction Bonds that he devised to bring money out of hiding was not notably successful, whereas the hoarding of money was notably increased.

I mention these most conspicuous examples of cooperation between government and business during a period that is still fresh in our minds, not to ridicule them, but for purposes of contrast. For business, my friends, has not lacked the cooperation of government during these past three and a half years. On the contrary, there has never been a period in our National life when the positive measures of government in aid of industry and trade and banking were more numerous or more quickly effective. The profitable state of business today, with recovery proceeding at a rate that the most sanguine optimist among business men would not have anticipated three or four years ago, is the visible and tangible evidence that the complaint of government hostility to business is a hypocritical sham. It has no more justification now than it had when Woodrow Wilson was our President. The issue that has been raised against the Democratic Party is as false now as it was then.

Business--legitimate business--has nothing to fear from liberal and progressive government. The economic ideals of democracy are not in conflict with the free and fair development of individual initiative and business enterprise. The increase of the National wealth and of the public prosperity and security, the preservation of a fair field and equal opportunity for the young men and women of each rising generation--these are the very essence of democratic policy. What business does have to fear; what government has to fear and heed, is the failure of our National wealth to increase, the failure of our people to prosper and be secure in their work, the failure of the door

of opportunity to remain open to the young men and women on whom fortunate circumstance has bestowed no large personal wealth or great powers of corporate control. These things business and government were failing in for four years of unexampled depression.

Yet we in America have a combination of natural, industrial, financial, and human resources such as no other people are endowed with. We have a positive genius, as well as the vast machinery and equipment, for producing abundantly the necessities and comforts of modern life. We have the means, not of great wealth for all our people, but of a good livelihood and reasonable security for all our people. We had all these things, in fact, in the 1920's, when industry and finance held the unquestioned dominance in our economic life and government was content to play only a passive part. There are some who want to go back to that kind of relationship between government and business. The rest of us--most of us, I believe--will continue to strive for a better and more secure relationship than that, a better way of life for all our people than that afforded. God willing, we shall find it.