

## Excerpt from President Herbert Hoover's Inaugural Address

### THE RELATION OF GOVERNMENT TO BUSINESS

The election has again confirmed the determination of the American people that regulation of private enterprise and not Government ownership or operation is the course rightly to be pursued in our relation to business. In recent years we have established a differentiation in the whole method of business regulation between the industries which produce and distribute commodities on the one hand and public utilities on the other. In the former, our laws insist upon effective competition; in the latter, because we substantially confer a monopoly by limiting competition, we must regulate their services and rates. The rigid enforcement of the laws applicable to both groups is the very base of equal opportunity and freedom from domination for all our people, and it is just as essential for the stability and prosperity of business itself as for the protection of the public at large. Such regulation should be extended by the Federal Government within the limitations of the Constitution and only when the individual States are without power to protect their citizens through their own authority. On the other hand, we should be fearless when the authority rests only in the Federal Government.

### COOPERATION BY THE GOVERNMENT

The larger purpose of our economic thought should be to establish more firmly stability and security of business and employment and thereby remove poverty still further from our borders. Our people have in recent years developed a new-found capacity for cooperation among themselves to effect high purposes in public welfare. It is an advance toward the highest conception of self- government. Self-government does not and should not imply the use of political agencies alone. Progress is born of cooperation in the community--not from governmental restraints. The Government should assist and encourage these movements of collective self- help by itself cooperating with them. Business has by cooperation made great progress in the advancement of service, in stability, in regularity of employment and in the correction of its own abuses. Such progress, however, can continue only so long as business manifests its respect for law.

There is an equally important field of cooperation by the Federal Government with the multitude of agencies, State, municipal and private, in the systematic development of those processes which directly affect public health, recreation, education, and the home. We have need further to perfect the means by which Government can be adapted to human service.....

....Ours is a land rich in resources; stimulating in its glorious beauty; filled with millions of happy homes; blessed with comfort and opportunity. In no nation are the institutions of progress more advanced. In no nation are the fruits of accomplishment more secure. In no nation is the government more worthy of respect. No country is more loved by its people. I have an abiding faith in their capacity, integrity and high purpose. I have no fears for the future of our country. It is bright with hope.