

# The Work of the President's Cabinet

## NAVY DEPARTMENT

Of North Carolina's five cabinet members, during her existence as a state, one of the greatest was James R. Dobbins, and one of his acts was to abolish flogging in the navy. John Paul Jones once flung a cat-o-nine-tails overboard in the presence of his men, for he believed there was a better way to preserve discipline. The present secretary of the navy has followed his predecessor, Navy Secretary Dobbins, by a far-reaching prison reform order.

When Mr. Daniels became secretary in March, 1913, the navy was 4,100 men short in the enlisted personnel. By his interest in the blue-jackets, as shown by his educational scheme, by increasing their chances to advance by confining promotions to the pay corps and to the marine corps to their ranks, by securing the passage of a bill to allow fifteen of them to enter Annapolis yearly, and in other ways, the secretary seemed to get a hold on the young men of the country, and they flocked into the navy in such numbers that the quota of 51,500 was filled last summer.

The secretary has now issued a general order which so modifies the navy regulations as to permit the greatest freedom on the part of the enlisted men, who for any reason have become dissatisfied with the service, to obtain honorable discharge. It permits them to secure such discharge on request, by merely the refund of certain allowances made by the government on enlistment or re-enlistment. The order goes a step further and directs as a general policy that men who have offended by over-staying leave of absence, by drunkenness on shore, and similar breaches of discipline, shall be summarily dismissed instead of being imprisoned. It proceeds on the theory, just as do all great business organizations of our day, that such offenders are unfit for the service, and it lets them go. It proceeds still further upon the theory, which has worked out in practice under this administration, that the navy can get plenty of young men who love the service and will be an honor to it.

The order will improve discipline generally throughout the service, and reduce the number of navy prisoners and the cost of navy prisons and disciplinary barracks, which now reaches about \$1,000,000 a year. The order was not issued until after a referendum of many able naval officers was had, the majority of whom favored the change.

The secretary of the navy has submitted to congress a bill by which any officer who has been less than ten years in the service shall receive only one-fourth of the pay of his grade upon retirement for physical disability in case he is able to enter business life; if having served over ten years and under twenty years, one-half the pay of his grade. If such officers, however, are totally incapacitated, they shall receive three-fourths the pay of their grade upon retirement. As the law now stands, all officers, if only slightly incapacitated, receive three-fourths pay when retired.

The secretary has added a new member to his official family in the person of Capt. George R. Clark, commandant of the naval training station at Chicago, who is to be aid for education, a new position. Captain Clark is author of "A Short History of the United States Navy."

The relief party to aid stranded Americans in Europe, in charge of Assistant Secretary of War Breckenridge, has rendered invaluable assistance. The party was carried over by the cruisers Tennessee and North Carolina. The latter will be relieved by another ship yet to be selected during the latter part of November, and the relieving vessel will carry over the Christmas cargo of useful presents collected by 90-odd newspapers of the United States, and intended for the children of Europe, who are suffering as a result of the war.

Under the act of congress of June 30, by which fifteen enlisted men may enter Annapolis, if they qualify, an examination was ordered to be held on August 3. At this time 120 men reported for examination on their ships and at various shore stations. Although the time for preparation was very short, five men passed the mental examinations. They were: Wm. Busk, ordinary seaman, Lincoln, Neb.; H. H. Hungate, seaman, Fountaintown, Ind.; W.W. Warlick, seaman, San Diego, Cal., all three on the U. S. S.

Maryland; H. S. Corbett, ordinary seaman, Franklin, Mass., on the Vermont, and J. W. Rowe, musician, 2nd class, Stephenson, Mich., on the Kansas.

### BIDS FOR BATTLESHIPS

Three new battleships—the California, Mississippi, and Idaho—are authorized to be built this year, two at private yards and one at a navy shipyard. The Newport News (Va.) Shipbuilding Co.'s bid is the lowest, \$7,195,000, and that of the New York Shipbuilding Co., at Camden, N. J., next lowest, namely, \$7,250,000. Bids were also submitted by the Fore River (Mass.) Shipbuilding Corporation of \$7,440,000, and Wm. Cramp & Sons ship and engine building company of \$7,625,000. The estimate of the New York navy yard for the vessel to be built there is \$7,155,300.

The previous public bids for a battleship were made in February of last year for the battleship Pennsylvania, and the Newport News Co. secured the contract at \$7,260,000, although the Pennsylvania is 600 tons smaller than the vessels of the California class. The contracts will be awarded at an early date.

Bids have been opened for armor for these three battleships, whose requirements are as follows:

22,122 tons of class A (side) armor.  
1,203 tons of class A-2 (turret) armor.  
807 tons of class B (special treatment plates).  
189 tons of class C armor (bolts and nuts).  
Carnegie Steel Company: A-1—\$440.00, A-2—\$504.00, B—\$471.00, C—\$548.00.  
Midvale Steel Company: A-1—\$436.00, A-2—\$486.00, B—\$466.00, C—\$376.00.  
Bethlehem Steel Company: A-1—\$435.00, A-2—\$499.00, B—\$466.00, C—\$395.00.  
Carbon Steel Company: C—\$431.20.

It will be recalled that when the bids for the battleship Arizona were first opened, the secretary of the navy rejected all bids and re-opened the bidding, and about two months later a reduction in the estimates was obtained. The following table embraces the lowest estimates first submitted for the battleship Arizona; the second bids for the Arizona, which were accepted, and the lowest bids submitted:

Arizona Bids—	Classes			
	A-1	A-2	B	C
\$450.00	\$518.00	\$496.00	\$586.00	
440.00	504.00	471.00	448.00	
Latest Bids—	\$435.00	\$486.00	\$466.00	\$376.00

The savings thereby effected through the difference between these bids and the awards for armor on the Arizona reach the sum of \$150,222; but the results achieved by the insistence of the secretary of the navy that contracts for armor would be awarded only in the open field of competition is more evident through a comparison of today's figures with those first submitted for armor for the Arizona. Were the government obliged to purchase the armor prescribed in the specifications opened today at the prices submitted in the first estimates on the Arizona, it would cost \$517,422 more.

## DEPARTMENT OF COMMERCE

### BUREAU OF FOREIGN AND DOMESTIC COMMERCE

A new branch office of the bureau of foreign and domestic commerce will be opened at St. Louis early in November. The success met by the branch offices in other cities has caused a strong demand on the part of the leading commercial organizations and business men of St. Louis, supplemented by requests from members of congress for a similar office in that city. One of the first acts of Dr. E. E. Pratt, the new chief of the bureau, was to recommend the establishment of the new branch of the bureau, and the plan has met with the approval of Secretary Redfield. The new office, which is the eighth opened within the last fifteen months, will be in charge of an experienced official from the bureau at Washington, who will be prepared to bring the business men of St. Louis into closer touch with the commercial activities of the department of commerce. The seven branches already in active operation are located at New York, Chicago, New Orleans, San Francisco, Boston, Seattle, and Atlanta.

The cardinal purpose of the department in placing representatives of the bureau in import-

ant commercial centers is to establish an unbroken line of communication between the business man and the department at Washington. The service has been found from experience to permit more prompt and efficient distribution of the useful trade information collected by consular officers, commercial agents and other government officials. Personal conferences are arranged from time to time at these branch offices with the officials in the foreign service department of state and the department of commerce and as a result impractical service is eliminated and their commercial work made more specific and helpful to manufacturers and exporters.

A summary of the results of an investigation of the cost of production of white-ware pottery in the United States and in England made by the bureau of foreign and domestic commerce in pursuance of the act of congress approved August 23, 1912, has been issued. The summary includes tables giving the comparative cost of production for both countries with an analysis of the difference in cost of materials, labor, and other expenses, and in establishment and labor efficiency. There is also included an outline of the subjects treated in the complete report, which will be published later. The bureau of standards, through its clay products section, co-operated with a study of certain technical aspects of the industry, the results of which will appear in the full report.

### BUREAU OF CORPORATIONS

Part V of the report of the bureau of corporations on state taxation of corporations, dealing with the mountain and Pacific states, namely, Montana, Idaho, Wyoming, Colorado, Utah, Nevada, Arizona, New Mexico, Washington, Oregon, and California, has been issued. Parts I to IV, already issued, cover the New England, middle Atlantic, eastern central, and western central groups of states. Part VI, the final part, will cover the southern states.

Part V, like its predecessors, is confined almost wholly to a concise exposition of facts. It compares the various tax systems, including the administrative methods and financial results.

Administrative methods range from a highly developed system handled centrally by state officials appointed solely for that purpose, to an almost complete decentralization.

California is the only state of the group which separates the sources of state and local revenue. Special taxes are levied on all corporations solely for state purposes, and yield about 76 per cent of the state taxes. In 1912 California collected more than \$11,000,000 from corporations, an amount exceeded only by Pennsylvania and New York, and not approached by any other state. County and other local revenue is raised principally by means of the general property tax.

In striking contrast to the use of special taxes on corporations in California is the almost complete dependence on the general property tax in Nevada and New Mexico. The remaining states employ special taxes to a limited degree, as follows: A gross-receipts tax is applied to railroads and express companies in Montana, to express and car companies in Washington, and to express companies only in Arizona, Wyoming, and Idaho.

Capital stock or license taxes are applied to all corporations in Idaho, Colorado, Utah, Washington, Oregon, and Arizona. The capital-stock taxes of the group, unlike those of New York, New Jersey, and Pennsylvania, are for the most part comparatively unimportant from the point of view of revenue. They are based on authorized capital stock, and in legal view are taxes on the right to exist or to do business as a corporation.

Practically all of the states covered in Part V exempt shares of stock in the hands of holders when the property of the corporation is taxed in the state. Bonds, however, are generally taxable to the holders thereof, residing in the state, though they are seldom returned for taxation.

In Oregon and Washington the ordinary method of applying a uniform state rate to assessed values throughout the state is not followed. Instead the total amount to be raised for state purposes under the general property tax is apportioned among the several counties and these apportioned amounts are levied in the respective counties on the basis of the ratio which the standard of assessed value in each bears to the full value of the property therein. Assessments of corporations by the state central boards are apportioned to the counties on the same basis.

A noteworthy feature of the tax systems in this group is that most of the state constitutions contain minute provisions regarding taxa-