

Ways to Relieve Farmer Taken Up by Coolidge

Government Price Fixing Unwise—Lower Taxes and Freight Rates Urged—Expert Aid Planned.

(Continued from Page Three)
law of the congress. It represents your will. It must be maintained, and ought to be strengthened by the example of your observance. With-out a budget system there can be no fixed responsibility and no constructive scientific economy.

This great concentration of effort by the administration and congress has brought the expenditures, exclusive of the self-supporting Postoffice department, down to \$3,000,000,000. It is possible, in consequence, to make a large reduction in the taxes of the people, which is the sole object of any curtailing. This is treated at greater length in the budget message and a proposed plan has been presented in detail in a statement by the secretary of the treasury which has my unqualified approval. I especially commend a decrease on earned incomes, and further abolition of admission, message, and nuisance taxes. The amusement and educational value of moving pictures ought not to be taxed. Diminishing charges against moderate incomes from investment will afford immense relief, while a revision of the surtaxes will not only provide additional money for public investment, thus stimulating industry and employment, but will not greatly reduce the revenue from that source, and may in the future actually increase it.

Being opposed to war taxes in time of peace, I am not in favor of excess profits taxes. A very great service could be rendered through immediate enactment of legislation relieving the people of some of the burden of taxation. To reduce the tax to give every home a better chance.
For seven years the people have borne with uncomplaining courage the tremendous burden of national and local taxation. These must both be reduced. The taxes of the nation must be reduced now as much as prudence will permit, and expenditures must be reduced accordingly. High taxes reduce the wages of everybody. They bear most heavily upon the poor. They diminish industry and commerce. They make agriculture unprofitable. They increase the rates on transportation. They are a charge on every necessary of life. Of all services which the congress can render to the country, there is no one so important as to give every home a better chance.

Another reform which is urgent in our fiscal system is the abolition of the right to issue tax-exempt securities. The existing system not only permits a large amount of the wealth of the nation to escape its just burden but acts as a capital stimulant to municipal extravagance. This should be prohibited by constitutional amendment. All the wealth of the nation ought to contribute its fair share to the expenses of the nation.

TARIFF LAW.

The present tariff law has accomplished its two main objects. It has secured an abundant revenue and been productive of an abounding prosperity. Under it the country has had a very large export and import trade. A constant revision of the tariff by the congress is disturbing and harmful. The present law contains an elastic provision authorizing the president to increase or decrease present schedules not in excess of 50 per centum to meet the difference in cost of production at home and abroad. This does not, in my mind, warrant a rewriting of the whole law, but does mean, and will be so administered, that whenever the required investigation shows that inequalities of sufficient importance exist in any schedule, the power to change them should and will be applied.

SHIPPING.

The entire well being of our country is dependent upon the transportation by sea and land. Our government during the war acquired a large merchant fleet which should be transferred, as soon as possible, to private ownership and operation under conditions which would secure two results: First, and of prime importance, adequate means for national defense; second, adequate service to American commerce. Until shipping conditions are such that our fleet can be disposed of advantageously under these conditions, it will be operated as economically as possible under such plans as may be devised from time to time by the shipping board. We must have a merchant marine which meets these requirements, and we must have to pay the cost of its service.

PUBLIC IMPROVEMENTS.

The time has come to resume in a moderate way the opening of our inland waterways; the control of flood waters of the Mississippi and of the Colorado rivers; the improvement of the waterways from the Great Lakes toward the Gulf of Mexico; and the development of the great power and navigation projects of the Lawrence river, for which efforts are now being made to secure the necessary treaty with Canada. These projects can not all be undertaken at once, but all should have the immediate consideration of the congress and be adopted as fast as plans can be matured and the necessary funds become available. This is not incompatible with economy, for their nature does not require so much a public expenditure as a capital investment which will be reproductive, as evidenced by the marked increase in revenue from the Panama canal. Upon these projects the country's future industrial and agricultural progress. They represent the protection of large areas from flood and the addition of a great amount of cheap power and cheap freight by use of navigation, chief of which is the bringing of ocean-going ships to the Great Lakes.

Another problem of allied character is the superpower development of the northeastern states, consideration of which is proceeding under the direction of the Department of Com-

merce by joint conference with the local authorities.

RAILROADS.

Criticism of the railroad law has been directed, first, to the section laying down the rule by which rates are fixed, and providing for payment to the government, and use of excess earnings; second, to the method for the adjustment of wage scales; and, third, to the authority permitting consolidation. It has been erroneously assumed that the act undertakes to guarantee railroad earnings. The law requires that rates should be just and reasonable. To make a rate that does not yield a fair return results in confiscation, and confiscatory rates are of course unconstitutional. Unless the government adheres to the rule of making a rate that will yield a fair return, it must abandon rate making altogether. The new and important feature of that part of the law is the recapture and redistribution of excess rates. The constitutionality of this method is now before the supreme court for adjudication. Their decision should be awaited before attempting further legislation on this subject. Furthermore, the importance of this feature will not be great if consolidation goes into effect.

The settlement of railroad labor disputes is a matter of grave public concern. The labor board was established to protect the public in the event of continuous service by the company and their employees. It has been a great help, but is not altogether satisfactory to the public, the employees, or the companies. If a substantial agreement can be reached among the groups interested, there should be no hesitation in enacting such agreement into law. If it is not reached, the labor board may very well be left for the present to protect the public welfare.

The law for consolidations is not sufficiently effective to be expeditious. Additional legislation is needed giving authority for voluntary consolidations, both regional and route, and providing for the aid and stimulation of such action, always subject to the approval of the interstate commerce commission. This should authorize the commission to appoint committees for each proposed group, representing the public and the component roads, with power to negotiate with individual security holders for the exchange of their securities for those of the consolidation on such terms and conditions as the commission may prescribe for avoiding any confiscation and preserving fair values. Should this permissive consolidation prove ineffective after a limited period, the authority of the government will have to be directly invoked.

Consolidation appears to be the only feasible method for the maintenance of an adequate system of transportation with an opportunity so to adjust freight rates as to meet such temporary conditions as now prevail in some agricultural sections. Competent authorities agree that an entire reorganization of the railroads for freight is necessary. This should be ordered at once by the congress.

DEPARTMENT OF JUSTICE.

As no revision of the laws of the United States has been made since 1878, a commission or committee should be created to undertake this work. The judicial council reports that two more district judges are needed in the southern district of New York, one in the northern district of Georgia, and two more circuit judges in the circuit court of appeals of the Eighth circuit. Legislation should be considered for this purpose.

It is desirable to expedite the hearing and disposal of cases. A commission of federal judges and lawyers should be created to recommend legislation by which the procedure in the federal trial courts may be simplified and regulated by rules of court, rather than by statute; such rules to be submitted to the congress and to be in force until annulled or modified by the congress. The supreme court needs legislation revising and simplifying the laws governing review by that court, and enlarging the class of cases of too little public importance to be subject to review. Such reforms would expedite the transaction of the business of the courts. The administration of justice is likely to fail if it be long delayed.

The national government has never given adequate attention to its prison problems. It ought to provide employment in such forms of production as can be used by the government, though not sold to the public in competition with private business, for all prisoners who can be placed at work, and for which they should receive a reasonable compensation, available for their dependents.

Two independent reformatories are needed: one for the segregation of women, and another for the segregation of young men serving their first sentence. Our entire form of society, can not be considered fully successful until their benefits reach the merit of every individual. This is not a suggestion that the government should, or could, assume for itself the responsibility for the maintenance of its prison system. There is no method by which we can either be relieved of the results of our own folly or be guaranteed a successful life. There is an inescapable personal responsibility for the development of character, of industry, of thrift, and of self-control. These do not come from the government, but from the people themselves. But the government can and should always be expressive of steadfast determination, always vigilant, to maintain conditions under which these virtues are most likely to develop and secure recognition and reward. This is the American policy.

It is in accordance with this principle that we have enacted laws for the protection of the public health and have adopted prohibition in narcotic drugs and intoxicating liquors. For purposes of national uniformity we ought to provide, by constitutional amendment and appropriate legislation, for a limitation of child labor, and in all cases under the exclusive jurisdiction of the federal government, a minimum wage for women, which would undoubtedly furnish sufficient power of enforcement in the influence of public opinion.

Having in mind that education is peculiarly a local problem, and that it should always be pursued with the largest freedom of choice by students and parents, nevertheless, the federal government might well give the benefit of its counsel and encouragement more freely in this direction. If anyone doubts the need of concerted action by the states of the nation for

means the sole sufferers, but for which they furnish a majority of the victims. Already a considerable sum is appropriated to give the negroes vocational training in agriculture. About half a million dollars is recommended for medical courses at Howard university to help contribute to the education of 500 colored doctors needed each year. On account of the migration of large numbers into industrial centers, it has been proposed that a commission be created, composed of members from both races, to formulate a better policy for mutual understanding and confidence. Such an effort is to be commended. Everyone would rejoice in the accomplishment of the results which it seeks. But it is well to recognize that these difficult duties are to a large extent local problems which must be worked out by mutual forbearance and human kindness of each community. Such a method gives much more promise of a real remedy than outside interference.

CIVIL SERVICE.

The maintenance and extension of the classified civil service is exceedingly important. There are nearly 550,000 persons in the executive civil service drawing about \$700,000,000 of the yearly compensation. Four-fifths of these are in the classified service. This method of selection of the employment of the United States is peculiarly desirable for the office department. The civil service commission has recommended that postmasters at first, second and third class offices be classified. Such action, accompanied by a repeal of the four-year term of office, would undoubtedly be an improvement. I also recommend that the law be amended to provide for the removal of a postmaster by the classification of civil service without covering the present membership. The best method for selecting public servants is the merit system.

PUBLIC BUILDINGS.

Many of the departments in Washington need better housing facilities. Some are so crowded that their work is impeded, others are so scattered that they lose their identity. While I do not favor at this time a general reorganization of the government, yet I believe that it is necessary, in accordance with plans already sanctioned for a unified and orderly system for the development of this city, to begin the carrying out of those plans by authorizing the erection of three or four buildings most urgently needed by an annual appropriation of \$5,000,000.

REGULATORY LEGISLATION.

Co-operation with other maritime powers is necessary for complete protection of our coast waters from pollution. Plans for this are under way, but await certain experiments for refuse disposal. Meantime laws prohibiting spreading oil and oil refuse from vessels in our own territorial waters would be most helpful against this menace and should be speedily enacted. Laws should be passed regulating navigation on coast waters from pollution. Plans for this are under way, but await certain experiments for refuse disposal. Meantime laws prohibiting spreading oil and oil refuse from vessels in our own territorial waters would be most helpful against this menace and should be speedily enacted.

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DIVERSIFICATION.

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MUSCLE SHOALS.

The government is undertaking to develop a great water power project known as Muscle Shoals, on which it has expended many million dollars. The work is still going on. Subject to the right to relate in time of war, I recommend that this property with a location for auxiliary steam plants and rights of way be sold. This would

President Coolidge Today Told Congress:

By International Service.

FOREIGN AFFAIRS.
America wants and stands willing to help other nations, but can best serve herself and the world by remaining free, independent and powerful.

It favors America entering the world court, with such reservations as will make it clear we shall not adhere to the league of nations. The league is a dead issue so far as America is concerned. There should be no cancellation of foreign debts.

Russia should not be recognized until she acknowledges her just debts and ceases opposition to our institutions.

DOMESTIC AFFAIRS.

He strongly approves the Mellon program of tax reduction as written. He is not in favor of a soldiers' bonus. Congress should act at once to complete a revision of freight rates.

The nation's railroads should be permitted to voluntarily consolidate into regional systems, which is the final solution of the railroad problem.

The railway labor board should be left alone until a better method is provided for dealing with labor disputes.

The tariff should not be tinkered with. The government should sell its ships and get out of the shipping business as quickly as possible.

The coast guard should be strengthened to prevent rum smuggling, and all citizens should obey the dry laws. Postmasters and prohibition agents should be placed under civil service. The army and navy should be increased in size and power.

Immigration should be rigidly restricted and aliens registered. The constitution should be amended to prohibit child labor and the issuance of tax exempt securities.

The government should extend easy credit and marketing facilities to the farmer and then allow him to work out his own salvation. Muscle Shoals should be sold to the highest bidder.

The president should be clothed with power to take emergency action in coal strikes.

Waterways should be improved from the Great Lakes to the Gulf, and the Lawrence river project pushed to completion.

Laws should be passed regulating navigation and radio. A commission should be formed to promote better understanding between whites and negroes in this country.

This purpose, it is only necessary to consider the appalling figures of illiteracy representing a condition which does not vary much in all parts of the union. I do not favor the making of appropriations from the national treasury, to be expended directly on local education, but I do favor a fundamental requirement of national activity which, accompanied by allied subjects of welfare, is worthy of a separate department and a place in the cabinet. The humanitarian side of government should not be repressed, but should be cultivated.

More intelligence, however, is not enough. Enlightenment must be accompanied by that moral power which is the product of the home and of religion. Real education and true welfare for the people rest inevitably on every individual's own effort. Government can approve and command, but which the people themselves must create.

ARMY AND NAVY.

For several years we have been decreasing the personnel of the army and navy, and reducing their power to the danger point. Further reductions should not be made. The army is a guarantee of the security of our citizens at home, and is a guarantee of the security of our citizens abroad. Both of these services should be strengthened rather than weakened. Additional planes are needed for the army, and additional submarines for the navy. The defenses of Panama must be protected. We want no more competitive armaments. We want no more war. But we want no weakness that invites imposition. A people who neglect their national defense are putting in jeopardy their possessions.

INSULAR POSSESSIONS.

Conditions in the insular possessions on the whole have been good. Their business has been reviving. They are being administered according to law. The effort has the full support of the administration. Such recommendations as may come from their people or their governments should have the most considerate attention.

EDUCATION AND WELFARE.

Our national government is not doing as much as it legitimately can to promote the welfare of the people. Our enormous material wealth and our institutions, our whole form of society, can not be considered fully successful until their benefits reach the merit of every individual. This is not a suggestion that the government should, or could, assume for itself the responsibility for the maintenance of its prison system. There is no method by which we can either be relieved of the results of our own folly or be guaranteed a successful life. There is an inescapable personal responsibility for the development of character, of industry, of thrift, and of self-control. These do not come from the government, but from the people themselves. But the government can and should always be expressive of steadfast determination, always vigilant, to maintain conditions under which these virtues are most likely to develop and secure recognition and reward. This is the American policy.

VETERANS.

No more important duty falls on the government of the United States than the adequate care of its veterans. Those suffering from disabilities incurred in the service must have sufficient hospital relief and compensation. Their dependents must be supported. Rehabilitation and vocational training must be completed. All of this service must be clean, must be prompt and effective, and it must be administered in a spirit of the broadest and deepest sympathy. If investigation reveals any present defect of administration or need of legislation, orders will be given for the immediate correction of administration and recommendations for legislation should be given the highest preference.

At present there are 9,500 vacant beds in government hospitals. I recommend that all hospitals be authorized at once to receive and care for without hospital pay, the veterans of all wars needing such care, whenever there are vacant beds, and that immediate steps be taken to enlarge and build new hospitals to serve all such cases.

The American legion will present to the congress a legislative program too extensive for detailed discussion here. It is a carefully matured plan. While some of it I do not favor, with much of it I am in hearty accord, and I recommend that a most painstaking effort be made to provide relief to the veterans of the present war. Their experience has revealed the attitude of the government toward these proposals should be one of generosity. But I do not favor the granting of a bonus.

COAL.

The cost of coal has become unreasonably high. It places a great burden on our industrial and domestic life. The public welfare requires a reduction in the price of fuel. With the enormous deposits in existence, failure of supply ought not to be tolerated. Those responsible for the con-

ditions in this industry should undertake its reform and free it from any charge of profiteering.

The report of the coal commission will be before the congress. It comprises all the facts. It represents the mature deliberations and conclusions of the best talent and experience that ever made a national survey of the production and distribution of fuel. I do not favor government ownership or operation of coal mines. The need is for action under private ownership that will secure greater continuity of production and greater public protection. The federal government probably has no peace-time authority to regulate wages, prices, or profits in coal at the mines or among dealers, but by ascertaining and publishing facts it can exercise great influence.

The source of the difficulty in the bituminous coal fields is the intermittent operation which causes great waste of both capital and labor. That part of the report dealing with this problem has much significance, and is suggestive of necessary remedies. By amending the car rules, by encouraging greater unity of ownership, and possibly by permitting commission selling agents for limited districts on conditions that they accept adequate regulations and guarantee that competition between districts be unlimited, distribution, storage, and continuity ought to be improved.

The supply of coal must be constant. In case of its prospective interruption, the president should have authority to appoint a commission empowered to deal with whatever conditions might arise, to aid conciliation and voluntary arbitration, to adjust any existing or threatened controversy between the employer and the employe when collective bargaining fails, and by controlling distribution to prevent profiteering in this vital necessity. This legislation is exceedingly urgent, and essential to the exercise of national authority for the protection of the people. Those who undertake the responsibility of management or employment in this industry do so with the full knowledge that the public interest is paramount, and that to fail through any motive of selfishness in its service is such a betrayal of duty as warrants uncompromising action by the government.

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HIGHWAYS AND FORESTS.

Highways and reforestation should continue to have the interest and support of the government. Everyone is anxious for good highways. I have made a liberal proposal in the budget for the continuing payment to the states by the federal government of its share for this necessary public improvement. No expenditure of public money contributes so much to the national wealth as for building good roads.

Reforestation has an importance far above the attention it usually secures. A special committee of the senate is investigating this need, and I shall welcome a constructive policy based on their report. It is 100 years since our country announced the Monroe doctrine. This principle has been ever since, and is now, one of the main foundations of our foreign relations. It must be maintained. But in maintaining it we must not be forgetful that a great change has taken place. We are no longer a weak nation, thinking mainly of defense, dreading foreign imposition. We are great and powerful. New powers bring new responsibilities. Our duty then was to protect ourselves. Added to that, our duty now is to help give stability to the world. We want idealism. We want

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end the present burden of expense and should return to the treasury the largest price possible to secure.

While the price is an important element, there is another consideration even more compelling. The agriculture of the nation needs a greater supply and lower cost of fertilizer. This is now imported in large quantities. The best information I can secure indicates that present methods of power production would not be able profitably to meet the price at which these imports can be sold. To obtain a supply from this water power would require long and costly experimentation to perfect a process for cheap production. Otherwise our purpose would fail completely. It seems desirable, therefore, in order to protect and promote the public welfare, to have adequate covenants that such experimentation be made and carried on to success. The great advantage of low-priced nitrates must be secured for the direct benefit of the farmers and the indirect benefit of the public in time of peace, and of the government in time of war. If this main object be accomplished, the amount of money received for the property is not a primary or major consideration.

Such a solution will involve complicated negotiations, and there is no authority for that purpose. I therefore recommend that the congress appoint a small joint committee to consider offers, conduct negotiations, and report definite recommendations.

By reason of many contributing causes, occupants of our reclamation projects are in financial difficulties which in some cases are acute. Relief should be granted by definite authority of law empowering the secretary of the interior in his discretion to suspend, readjust and reassess all charges against water users. This whole question is being considered by experts. You will have the advantage of the facts and conclusions which they may develop. This situation, involving a government investment of more than \$135,000,000, and affecting more than 30,000 water users, is serious. While relief which is necessary should be granted, yet contracts with the government which can be met should be met. The established general policy of these projects should not be abandoned for any private control.

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The cost of coal has become unreasonably high. It places a great burden on our industrial and domestic life. The public welfare requires a reduction in the price of fuel. With the enormous deposits in existence, failure of supply ought not to be tolerated. Those responsible for the con-

ditions in this industry should undertake its reform and free it from any charge of profiteering.

The report of the coal commission will be before the congress. It comprises all the facts. It represents the mature deliberations and conclusions of the best talent and experience that ever made a national survey of the production and distribution of fuel. I do not favor government ownership or operation of coal mines. The need is for action under private ownership that will secure greater continuity of production and greater public protection. The federal government probably has no peace-time authority to regulate wages, prices, or profits in coal at the mines or among dealers, but by ascertaining and publishing facts it can exercise great influence.

The source of the difficulty in the bituminous coal fields is the intermittent operation which causes great waste of both capital and labor. That part of the report dealing with this problem has much significance, and is suggestive of necessary remedies. By amending the car rules, by encouraging greater unity of ownership, and possibly by permitting commission selling agents for limited districts on conditions that they accept adequate regulations and guarantee that competition between districts be unlimited, distribution, storage, and continuity ought to be improved.

The supply of coal must be constant. In case of its prospective interruption, the president should have authority to appoint a commission empowered to deal with whatever conditions might arise, to aid conciliation and voluntary arbitration, to adjust any existing or threatened controversy between the employer and the employe when collective bargaining fails, and by controlling distribution to prevent profiteering in this vital necessity. This legislation is exceedingly urgent, and essential to the exercise of national authority for the protection of the people. Those who undertake the responsibility of management or employment in this industry do so with the full knowledge that the public interest is paramount, and that to fail through any motive of selfishness in its service is such a betrayal of duty as warrants uncompromising action by the government.

REORGANIZATION.

A special joint committee has been appointed to work out a plan for a reorganization of the different departments and commissions of the government, more scientific and economical than the present system. With the exception of the consolidation of the War and Navy departments and