

# COOLIDGE SHOWS OPTIMISM IN COOK'S ANNUAL MESSAGE

## ERA OF PEACE IS PREDICTED

### Domestic Problems Are Held Economic; Rigid Economy Are Advocated

The present state of the Union, upon which it is customary for the president to report to the congress under the provisions of the constitution, is such that it may be regarded with encouragement and satisfaction by every American. Our country is almost unique in its ability to discharge fully and promptly all its obligations at home and abroad and provide for all its inhabitants an increase in material resources, in intellectual vigor and in moral power. The nation holds a position unsurpassed in all former human experience. This does not mean that we do not have any problems. It is elementary that the increasing breadth of our experience necessarily increases the problems of our national life. But it does mean that if we will but apply ourselves industriously and honestly, we have ample powers with which to meet our problems and provide for their speedy solution. I do not profess that we can secure an era of perfection in human existence, but we can provide an era of peace and prosperity, attended with freedom and justice and made more and more satisfying by the ministrations of the charities and humanities of life.

Our domestic problems are for the most part economic. We have our enormous debt to pay, and we are paying it. We have the high cost of government to diminish, and we are diminishing it. We have a heavy burden of taxation to reduce, and we are reducing it. But while remarkable progress has been made in these directions, the work is yet far from accomplished. We still owe over \$21,000,000,000, the cost of the national government is still about \$3,500,000,000, and the national taxes still amount to \$11,000,000,000 each year for our 130,000,000 inhabitants. There yet exists this enormous field for the application of economy.

In my opinion the government can do more to remedy the economic ills of the people by a system of rigid economy in public expenditure than can be accomplished through any other action. The costs of our national and local governments combined now stand at a sum close to \$100 for each inhabitant of the land. A little less than one-third of this is represented by national expenditure, and a little more than two-thirds by local expenditure. It is an ominous fact that only the national government is reducing its debt. Others are increasing theirs at about \$1,000,000,000 each year. The depression that overtook business, the disaster experienced in agriculture, the lack of employment and the terrific shrinkage in all values which our country experienced in a most acute form in 1920, resulted from small measures of the prohibitive taxes which were then levied on all productive effort. The establishment of a system of drastic economy in public expenditure, which has enabled us to pay off about one-fifth of the national debt since 1919, and almost cut in two the national tax burden since 1921, has been one of the main causes in re-establishing a prosperity which has come to include within its benefits almost every one of our inhabitants. Economic reaches everywhere, it carries a blessing to everybody.

The fallacy of the claim that the costs of government are borne by the rich and those who make a direct contribution to the national treasury can not be too often exposed. No system has been devised, I do not think any system could be devised, under which any person living in this country could escape being affected by the cost of our government. It has a direct effect both upon the rate and the purchasing power of money. It is felt in the price of those prime necessities of existence, food, clothing, fuel and shelter. It would appear to be elementary that the more the government expends the more it must require every producer to contribute out of his production to the public treasury, and the less he will have for his own benefit. The continuing costs of public administration can be met in only one way—by the work of the people. The higher they become, the more the people must work for the government.

**HEAD STUFFED FROM CATARRH OR A COLD**  
Says Cream Applied in Nostrils Opens Air Passages Right Up

Instant relief—no waiting. Your clogged nostrils open right up; the air passages of your head clear and you can breathe freely. No more hawking, snuffling, blowing, headache dryness. No struggling for breath at night; your cold or catarrh disappears.

Get a small bottle of Ely's Cream Balm from your druggist now. Apply a little of this fragrant, antiseptic, healing cream in your nostrils. It penetrates through every air passage of the head, soothes the inflamed or swollen mucous membrane and relief comes instantly.

It's just time. Don't stay stuffed with a cold or nasty catarrh.

The less they are, the more the people can work for themselves. The present estimated margin between public receipts and expenditures for this fiscal year is very small. Perhaps the most important work that this session of the congress can do is to continue a policy of economy and further reduce the cost of government, in order that we may have a reduction of taxes for the next fiscal year. Nothing is more likely to produce that public confidence which is the forerunner and the mainstay of prosperity, encourage and enlarge business opportunity with ample opportunity for employment at good wages, provide a larger market for agricultural products, and put our country in a stronger position to meet the world's competition in trade, than the continuing policy of economy. Of course necessary costs must be met, proper functions of the government performed, and constant investments for capital account and reproductive effort must be carried on by our various departments. But the people must know that their government is placing upon them no unnecessary burden.

Everyone desires a reduction of taxes, and there is a great preponderance of sentiment in favor of taxation reform. When I approved the present tax law, I stated publicly that I did so in spite of certain provisions which I believed unwise and harmful. One of the most glaring of these was the making public of the amount assessed against different income tax payers. Although that damage has now been done, I believe its continuation to be detrimental to the public welfare and bound to decrease public revenues, so that it is not so easy to stand in the gap and resist the passage of increasing appropriation bills which would make tax reduction impossible. It will be very easy to measure the strength of the attack upon reduced taxation by the power with which increased appropriations are resisted. If at the close of the present session the congress has kept within the budget which I propose to present, it will then be possible to have a moderate amount of tax reduction and all the tax reform that the congress may wish for during the next fiscal year. The country is now feeling the direct stimulus which came from the passage of the last revenue bill, and under the assurance of a reasonable system of taxation there is every prospect of an era of prosperity of unprecedented proportions. But it would be idle to expect any such results unless business can continue free from excess profits taxation and be awarded a system of surtaxes at rates which have for their object not the punishment of success or the discouragement of business, but the production of the greatest amount of revenue from large incomes. I am convinced that the larger incomes of the country would actually yield more revenue to the government if the basis of taxation were scientifically revised downward. Moreover the effect of the present method of this taxation is to increase the cost of interest on productive enterprise and to increase the burden of rent. It is altogether likely that such reduction would so encourage and stimulate investment that it would firmly establish our country in the economic leadership of the world.

Waterways. Meantime our internal development should go on. Provision should be made for flood control of such rivers as the Mississippi and the Colorado, and for the opening up of our inland waterways to commerce. Consideration is due to the project of better navigation from the Great Lakes to the Gulf. Every effort is being made to promote an agreement with Canada to build the St. Lawrence waterway. There are pending before the congress bills for further development of the Mississippi Basin, for the taking over of the Cape Cod Canal in accordance with a moral obligation which seems to have been incurred during the war, and for the improvement of harbors on both the Pacific and the Atlantic coasts. While the local interests of some of its projects and we must proceed slowly, these bills in general have my approval. Such works are productive of wealth and in the long run tend to a reduction of the tax burden.

Reclamation. Our country has a well-defined policy of reclamation established under statutory authority. This policy should be continued and made a self-sustaining activity administered in a manner that will meet the needs of the people. Our arid lands into a profitable state of cultivation as fast as there is a market for their products. Legislation is pending based on the report of the Fact Finding commission for the proper relief of those needing extension of time in which to meet their payments on irrigated land, and for additional amendments and reforms of our reclamation laws, which are all exceedingly important and should be enacted at once.

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- Shadow Potatoes Radishes
- Hearts of Lettuce Russian Dressing
- Hot Chocolate Gingerbread with Whipped Cream
- Tea

The cost of preparing this luncheon, using olive oil for the dressing, lard for the frying and butter for the shortening, was found to be 18% greater than the same luncheon prepared solely with Amaizo.

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Mostly by his own effort the farmer has decreased the cost of production. A marked increase in the price of his products and some decrease in the price of his supplies has brought him about to a parity with the rest of the nation. The crop area of this season is estimated at 370,000,000 acres, which is a decline of 3,000,000 acres from last year, and 6,000,000 acres from 1919. This has been a normal and natural application of economic laws, which has placed agriculture on a foundation which is undeniably sound and beginning to be satisfactory.

A decrease in the world supply of wheat has resulted in a very marked increase in the price of that commodity. The position of all agricultural products indicates a better balanced supply, but we can not yet conclude that agriculture is recovered from the effects of the great depression which is permanently on a prosperous basis. The cattle industry has not yet recovered from dry weather. Every effort to export to the government activity and by private industry to restore and maintain agriculture to a normal relationship with other industries.

Muscle Shoals. The production of nitrogen for plant food in peace and explosives in war is more and more important. It is the chief sustaining element of life. It is estimated that soil exhaustion each year is represented by about 1,450,000 tons. The deficit of 3,550,000 tons is reported to require the purchase of 1,100,000 acres of farm lands each year.

Railways. The railways during the past year have made still further progress in recuperation from the war, with large gains in efficiency and ability expeditiously to handle the traffic of the country. We have now passed through several periods of peak traffic without the railways showing any sign of strain. The volume of our great freight terminals is still one of difficulty and results in imposing large costs on the railways for unloading, freight, and freight. Owing to the growth of our large cities and the great increase in the volume of traffic, particularly in

perishable, the problem is not only difficult of solution, but in some cases not wholly solvable by railway action alone. My message last year I emphasized the necessity for further legislation with a view to expediting the consolidation of our railways into larger systems. The principal of government control of rates and profits, now thoroughly imbedded in our popular attitude toward natural monopolies such as the railways, at once eliminates the need of competition by small units as a method of rate adjustment. Competition must be preserved as a stimulus to service, but this will exist and can be increased under enlarged systems. Consequently the consolidation of the railways into larger units for the purpose of securing the substantial values to the public which will come from larger operation has been the logical conclusion of congress in its previous enactments, and is also supported by the best opinion in the country. Such consolidation will assure not only a greater element of competition as to service, but it will afford economy in operation, and more economical conduct. It opens large possibilities of relief from the burden of government activity and by private industry to restore and maintain agriculture to a normal relationship with other industries.

Shipping Board. The form of the organization of the shipping board was based originally on its functions as a semi-judicial body in regulation of rates. During the war it was loaded with enormous administrative duties. It has been demonstrated again that this form of organization results in indecision, division of opinion and administrative functions, which make a wholly inadequate foundation for the conduct of a great business enterprise. The first principle in securing the objective set out by congress in building up the American merchant marine upon the great trade routes and subsequently disposing of it into private operation can not proceed with effectiveness unless the entire functions of the board are reorganized. The immediate requirement is to transfer into the Emergency Fleet Corporation the whole responsibility of operation of the fleet and other property, leaving the shipping board solely the duty of determining certain major policies which require legislative action. The procedure under section 28 of the merchant marine act has created great difficulty and threatened friction during the past 12 months. Its attempted application developed not only great opposition from exporters, but also as to burdens that may be imposed upon agricultural products, but also as to the effect upon their relative rate structure. This trouble will certainly recur if action is attempted under this section. It is unwise in some of its terms and of great difficulty in interpretation. It is my belief that action under this section should be suspended until some other method of solution is found in the light of the experience that has been developed since its enactment.

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National Elections. Nothing is so fundamental to the integrity of a republic as the freedom of the citizen in all that relates to the conduct of elections. I am of the opinion that the national laws governing the choice of members of the congress should be extended to include appropriate representation of the respective parties at the ballot box and equality of representation on the various registration boards, wherever they exist.

The Judiciary. The docket of the supreme court is becoming congested. At the opening term last year it had 592 cases, while this year it had 657 cases. Justice long delays in justice refused. Unless the court be given power by preliminary and summary consideration to determine the importance of cases, and by disposing of those which are not of public moment reserve its time for the more extended consideration of the remainder, the congestion of the docket is likely to increase. It is also desirable that the supreme court should have power to improve and reform procedure in suits at law in the federal courts through the adoption of appropriate rules. The judiciary committee of the senate has reported favorably upon two bills providing for these reforms which should have the immediate favorable consideration of the congress.

Penal Reform. Pending before congress is a bill which has already passed one house providing for a reformatory to which would be committed first offenders and

young men for the purpose of segregating them from contact with hardened criminals and providing them with special training, in order to re-establish in them the power to pursue a law-abiding existence in the social and economic life of the nation. This is a matter of so much importance as to warrant the early attention of the present session. Further provision should also be made, for a like reason, for a separate reformatory for women.

French Spoliation Claims. During the last session of the congress legislation was introduced looking to the payment of the remaining claims generally referred to as the French spoliation claims. The con-

vention and detection of crime. I believe this bureau is needed, and I recommend favorable consideration of this proposal.

District of Columbia Welfare. The welfare work of the District of Columbia is administered by several different boards dealing with charities and various correctional efforts. It would be an improvement if this work were consolidated and placed under the direction of a single commission.

Christmas Gift Suggestions. For today's suggestion we have selected one of the more useful gifts for mother, sister, wife or daughter.

Bath Robes. In many patterns and colors. We have put a few in our north window so that you may see just how pretty and comfy they look.

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THE average American home has more comforts and conveniences than the palaces of Europe. Home for home, the American household has a well-kept look, an atmosphere of prosperity and contentment you cannot find in the homes of any other country in the world.

In foreign lands, the modernized dwelling, as we know it, is found only in limited numbers and then only in the larger cities.

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Then you will realize what a vital part advertising has played and is playing in your daily life.

**YOU OWE IT TO YOURSELF TO READ THE ADVERTISEMENTS. THEY MEAN A LOT TO YOU.**