

# PRESIDENT TAFT FOR TARIFF COMMISSION

### ASKS THAT PRESENT BOARD BE MADE PERMANENT BODY

#### Executive Advises Progressive Policy With Reference to tariff Changes—The Panama Canal—War and Navy Departments—Postoffice.

(Owing to lack of space in yesterday's edition the following portion of the president's message was omitted at the time.)

#### Revenues.

This seems a proper place to consider the operation of the existing tariff bill, which became a law August 6, 1909. As an income producing measure the existing tariff bill has never been exceeded by any customs bill in the history of the country.

The corporation excise tax, proportioned income, has worked well. The tax has been easily collected. Its prompt payment indicates that the incidence of the tax has not been heavy. It offers, moreover, an opportunity for knowledge by the government of the general condition and business of all corporations and that means by far the most important part of the business of the country. In the original act provision was made for the publication of returns. This provision was subsequently amended by congress and the matter left to the regulation of the president. I have decided the issue of the needed regulations.

#### The Payne Tariff Act.

The schedules of the rates of duty in the Payne tariff act have been subjected to a great deal of criticism, some of it just, more of it unfounded, and to much misrepresentation. The act was adopted in pursuance of a declaration by the party which is responsible for it that a customs bill should be a tariff for the protection of home industries, the measure of the protection to be the difference between the cost of production of the imported article abroad and the cost of producing it at home, together with such addition to that difference as might give a reasonable profit to the home producer. The basis for the criticism of this tariff is that in respect to a number of the schedules the declared measure was not followed but a higher division retained or inserted by way of undue discrimination in favor of certain industries and measures. Little, if any, of the criticism of the tariff has been directed against the protective principle above stated; but the main body of the criticism has been based on the charge that the attempt to conform the measure of protection was not honestly and sincerely adhered to.

#### Tariff Board.

The time in which the tariff was prepared undoubtedly was so short as to make it impossible for the congress and its experts to acquire the information necessary strictly to conform to the declared measure. In order to avoid criticism of this kind in the future, and for the purpose of more nearly conforming to the promise, congress at its last session made provision at my request for the continuance of a board created under the authority of the maximum and minimum clauses of the tariff bill, and authorized this board to expend the funds for the ascertainment of the cost of production at home and abroad of the various articles included in the schedules of the tariff. The tariff board thus appointed and authorized has been diligent in preparing itself for the necessary investigations. The hope of those who have advocated the use of this board for tariff purposes is that the question of the rate advance imposed shall become more of a business question and less of a political question to be ascertained by experts of long training and accurate knowledge. The halt in business due to the announcement that a new tariff bill is to be prepared, and put in operation will be avoided by treating the schedules one by one as occasion shall arise for an increase in rates and only after it is reported. It is not likely that the board will be able to make a report during the present session on the present schedules because a proper examination involves an enormous amount of detail and a great deal of care; but I hope to be able at the opening of the new congress, or at least during the session of that congress, to bring to its

attention the facts in regard to those schedules in the present tariff that may prove to need amendment. The carrying out of this plan, of course involves the full cooperation of congress in limiting the consideration of tariff matters to one schedule at a time, because if a proposed amendment to a tariff bill is to involve a complete consideration of all the schedules and another revision, then we shall only repeat the evil from which the business of this country has in times past suffered most grievously by stagnation and uncertainty, pending a resettlement of a law affecting all business directly or indirectly, and the effect of which now is business men would ignore in new projects and new investments. I cannot too much emphasize the importance and benefit of the plan above given for the treatment of the tariff. It facilitates the removal of noteworthy defects in an important law without a disturbance of business prosperity, which is even more important to the happiness and comfort of the people than the elimination of instances of injustice in the tariff.

The inquiries which the members of the tariff board made during the last summer into the methods pursued by other governments with reference to the fixing of tariffs and the determination of their effect upon trade, show that each government maintains an office or bureau, the officers and employes of which have made their life work the study of tariff matters, and cost of articles imported and the effect of the tariff upon trade so that whenever a change is thought to be necessary in the tariff law this office is the source of the most reliable information as to the propriety of the change and its effect. I am strongly convinced that we need in this government just such an office and that it can be secured by making the tariff board already appointed a permanent tariff commission with its duties, its powers and its emoluments as it may seem wise to give. It has been proposed to enlarge the board from three to five. The present number is convenient, but I do not know that an increase of two members would be objectionable.

Whether or not the protective policy is to be continued and the degree of protection to be accorded to our home industries, are questions which the people must decide by their chosen representatives; but whatever policy is adopted, it is clear that the necessary legislation should be based on an impartial, thorough and continuous study of the facts.

#### Banking and Currency Reform.

The method of impartial, scientific study by experts as a preliminary to legislation, which I hope to see ultimately adopted as our fixed national policy with respect to the tariff, rivers and harbors, waterways and public buildings, is also being pursued by the non-partisan monetary commission of congress. An exhaustive and most valuable study of the banking and currency systems of foreign countries has been completed.

A comparison of the business methods and institutions of our powerful and successful rivals with our own methods, is sure to be of immense value.

I urge the importance of a non-partisan and disinterested study and consideration of our banking and currency system. It is idle to dream of commercial expansion and of the development of our national trade on a scale that measures up to our matchless opportunities unless we can lay a solid foundation in a sound and enduring banking and currency system. The problem is not partisan, is not sectional—it is national.

#### War Department.

The army now numbers about 80,000,000 men, of which about 18,000,000 are engaged in the coast artillery.

The general plan for an army of the United States at peace should be that of a skeleton organization with an excess of trained officers and thus capable of rapid enlargement by enlistments, to be supplemented in emergency by the national guard and a volunteer force.

There is now pending in congress a bill repealing the recent volunteer act and making provision for the organization of volunteer forces in time of war, which is admirably adapted to meet the exigencies which would be then presented. The passage of the bill would not entail a dollar's expense upon the government at this time, or in the future, until war comes, but when war does come the methods therein directed are in accordance with the best military judgment as to what they ought to be, and the act

would prevent the necessity for the discussion of new legislation and the delays incident to its consideration and adoption. I earnestly urge the passage of this volunteer bill.

I further recommend that congress establish a commission to determine, early as practicable, a comprehensive policy for the organization, mobilization and administration of the regular army, the organized militia and the volunteer forces in the event of war.

I have directed that the estimates for appropriation for the improvement of coast defenses in the United States should be reduced to a minimum, while those for the completion of the needed fortifications at Corregidor in the Philippines and at Pearl Harbor in the Hawaiian Islands, should be expedited as much as possible. The Pacific naval base has been transferred to Pearl Harbor in the Hawaiian Islands.

This necessitates the heavy fortifications of the harbor and the establishment of an important military station near Honolulu. I urge that all the estimates made by the war department for these purposes be approved by congressional appropriation.

The president refers to the prosperity and growing trade of the Philippines and Porto Rico, especially recommending the speedy enactment of pending measures for the government of the latter island.

#### Panama Canal.

At the instance of Colonel Goethals, the army engineer, officer in charge of work on the Panama canal, I have just made a visit to the isthmus to inspect the work done and to consult with him on the question of certain problems which are likely to arise in the near future. The progress of the work is most satisfactory. If no unsuspected obstacle presents itself, the canal will be completed well within the time fixed by congress, to-wit, January 1, 1915, and within the estimated cost of \$375,000,000.

Among questions arising for present solution is the decision whether the canal shall be fortified. I have already stated to the congress that I strongly favor fortification and I now reiterate this opinion and ask your consideration of the subject in the light of the report already before you, made by a competent board.

If, in your discretion, we believe modern fortifications to be necessary to the adequate protection and policing of the canal, then it is our duty to construct them. We have built the canal. It is our property. It is also well known that one of the chief objects in the construction of the canal has been to increase the military effectiveness of our navy. Failure to fortify the canal would leave us in the possession of rights we would be powerless to enforce.

In determining what the tolls should be, we certainly ought not to insist that, for a good many years to come, they should amount to enough to pay the interest on the investment, of \$400,000,000 which the United States has made in the construction of the canal. The benefit to be derived by the U. S. from this expenditure is not to be measured solely by a return upon the investment.

In addition to the benefit to our naval strength, the canal greatly increases the trade facilities of the United States. It will undoubtedly cheapen the rates of transportation in all freight between the eastern and western seaboard and it will greatly increase that trade by reason of the reduction in its costs.

In all these cases the question whether the Panama canal is to be used and its tonnage increased will be determined mainly by the charge for its use. My own impression is that the tolls ought not to exceed \$1 per net ton. On the whole, I should recommend that within certain limits, the president be authorized to fix the tolls of the canal and to adjust them to what he believes to be a commercial necessity.

The president recommends that, owing to the importance of the canal to the United States navy, the government should take over the furnishing, not only to the navy but to the public, of drydock and repair shop facilities and the sale of coal, oil and other ships supplies.

I cannot close this reference to the canal without suggesting as a wise amendment to the interstate commerce law a provision prohibiting interstate commerce railroads from owning or controlling ships engaged in the trade through the Panama canal. I believe such a provision may be needed to save the people of the United States the benefits of the competition in

(Continued on Page Seven.)

# What About Christmas?

MAY we help you solve the problem and put you in the way of doing your Christmas shopping with pleasure, satisfaction and economy? We take the liberty of making a suggestion regarding the best time to do your shopping and earnestly urge you to do it AT ONCE. Come early while the pick is the choicest, avoid the crowd and make your selections at leisure and in comfort, from a full and complete assortment.

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### A Few Suggestions

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Diamond and Pearl Rings	\$10 to \$400	Diamond Solitaire Rings	\$10 to \$800
Diamond Brooches	\$25 to \$200	Bracelets	\$2.00 to \$50
Diamond and emerald Rings	\$15 to \$100	Combs	\$1.00 to \$25
Diamond and Solitaire Earrings, a pair	\$25 to \$600	Purses	\$4.50 to \$45
Fancy Diamond Rings	\$20 to \$750	Link Buttons	75¢ to \$100
Diamond Pendants	\$20 to \$100	Chains	\$1.00 to \$40
Diamond Stickpins	\$10 to \$150	Locketts	\$1.50 to \$45
		Watches	\$4.50 to \$150
		Toilet Sets	\$6.00 to \$75
		Umbrellas	\$3.50 to \$35
		Scarf Pins	75¢ to \$50

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2. The Key of Life. Edison. Mystical comedy 1000 feet long. A story of reincarnation with Mlle. Pilar Morin in the principal role.
3. The Early Settlers. Sellig, 1000 feet long. A good drama. Telling of the hardships the early settlers had in Minnesota.
4. The Children's Revolt. Vitagraph, 1000 feet long. A picture play of how two children object to the restraints of too much restriction, love and attention. You can't put old heads on young shoulders. Children will be children, and there is no use of dwarfing their natures.

**Pastime Theater.**

"Abraham Lincoln's Clemency." American production Pathe. A great patriotic picture. Here is a war picture full of thrills and patriotism and with scenes of the white house and Lincoln that will drive any audience wild with excitement. The incidents pictured in this film are founded on facts and relate to William Scott, a young soldier from the state of Vermont. A picture you will want to see twice. A finale that will make you sit up.


"A Fortunate Misfortune." Essany Co., comedy drama. A story of gripping human interest with an appeal to every heart. A double love story based upon the fact that one girl discarded a young man because he was ruined by business reverses. Later he finds a girl who wants him, not his money, when he suddenly finds he is wealthy again. Difficult to describe, this picture is interesting when seen on the screen.

"A Tale of a Hat." Vitagraph, comedy. Mistakes will happen and appearances are deceiving. This is a comedy of mistaken identity which lead a man into a heap of trouble.

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