

Coolidge Lucidly States His Views

President in His Message to Lawmakers, Defends Policies.

TO FOLLOW HARDING'S IDEAS

Is Opposed to League of Nations, but Favors World Court—Wants Disabled Veterans Cared For, but Is Opposed to Granting a Bonus.

Washington.—President Coolidge in his first message to the congress had the following recommendations to offer:

Since the close of the last congress the nation has lost President Harding. The world knew his kindness and his humanity, his greatness and his character. He has left his mark upon history. He has made justice more certain and peace more secure. The surpassing tribute paid to his memory as he was borne across the continent to rest at last at home revealed the place he held in the hearts of the American people. But this is not the occasion for extended reference to the man or his work. In this presence, among those who knew and loved him, that is unnecessary. But we who were associated with him could not resume together the functions of our office without pausing for a moment, and in his memory reconsecrating ourselves to the service of our country. He is gone. We remain. It is our duty, under the inspiration of his example, to take up the burdens which he was permitted to lay down, and to develop and support the wise principles of government which he represented.

Foreign Affairs.
For us peace reigns everywhere. We desire to perpetuate it always by granting full justice to others and requiring of others full justice to ourselves.

Our country has one cardinal principle to maintain in its foreign policy. It is an American principle. It must be an American policy. We attend to our own affairs, conserve our own strength, and protect the interests of our own citizens; but we recognize thoroughly our obligation to help others, reserving to the decision of our own judgment the time, the place, and the method. We realize the common bond of humanity. We know the inescapable law of service.

Our country has definitely refused to adopt and ratify the covenant of the League of Nations. We have not felt warranted in assuming the responsibilities which its members have assumed. I am not proposing any change in this policy; neither is the senate. The incident, so far as we are concerned, is closed. The league exists as a foreign agency. We hope it will be helpful. But the United States sees no reason to limit its own freedom and independence of action by joining it. We shall do well to recognize this basic fact in all national affairs and govern ourselves accordingly.

World Court.
Our foreign policy has always been guided by two principles. The one is the avoidance of permanent political alliance which would sacrifice our proper independence. The other is the peaceful settlement of controversies between nations. By example and by treaty we have advocated arbitration. For nearly 25 years we have been a member of The Hague tribunal, and have long sought the creation of a permanent World Court of Justice. I am in full accord with both of these policies. I favor the establishment of such a court intended to include the whole world. That is, and has long been, an American policy.

Pending before the senate is a proposal that this government give its support to the Permanent Court of International Justice, which is a new and somewhat different plan. This is not a partisan question. It should not assume an artificial importance. The court is merely a convenient instrument of adjustment to which we could go, but to which we could not be brought. It should be discussed with entire candor, not by a political but by a judicial method, without pressure and without prejudice. Partisanship has no place in our foreign relations. As I wish to see a court established, and as the proposal presents the only practical plan on which many nations have ever agreed, though it may not meet every desire, I therefore commend it to the favorable consideration of the senate, with the proposed reservations clearly indicating our refusal to adhere to the League of Nations.

Russia.
Our diplomatic relations, lately so largely interrupted, are now being resumed, but Russia presents notable difficulties. We have every desire to see that great people, who are our traditional friends, restored to their position among the nations of the earth. We have relieved their pitiable destitution with an enormous charity. Our government offers no objection to the carrying on of commerce by our citizens with the people of Russia. Our government does not propose, however, to enter into relations with another regime which refuses to recognize the sanctity of international obligations. I do not propose to barter away for the privilege of trade any of the cherished rights of humanity. I do not propose to make merchandise of any American principles. These

rights and principles must go wherever the sanctions of our government go.

But while the favor of America is not for sale, I am willing to make very large concessions for the purpose of rescuing the people of Russia. Already encouraging evidences of returning to the ancient ways of society can be detected. But more are needed. Whenever there appears any disposition to compensate our citizens who were despoiled, and to recognize that debt contracted with our government, not by the czar, but by the newly formed republic of Russia; whenever the active spirit of enmity to our institutions is abated; whenever there appear works of penitence; our country ought to be the first to go to the economic and moral rescue of Russia. We have every desire to help and no desire to injure. We hope the time is near at hand when we can act.

Debts.
The current debt and interest due from foreign governments, exclusive of the British debt of \$4,600,000,000, is about \$7,200,000,000. I do not favor the cancellation of this debt, but I see no objection to adjusting it in accordance with the principle adopted for the British debt. Our country would not wish to assume the role of an oppressive debtor, but would maintain the principle that financial obligations between nations are likewise moral obligations which international faith and honor require should be discharged.

Our government has a liquidated claim against Germany for the expense of the army of occupation of over \$225,000,000. Besides this, the mixed claims commission have before them about 12,500 claims of American citizens, aggregating about \$1,225,000,000. These claims have already been reduced by a recent decision, but there are valid claims reaching well toward \$500,000,000. Our thousands of citizens with credits due them of hundreds of millions of dollars have no redress save in the action of our government. These are very substantial interests, which it is the duty of our government to protect as best it can. That course I propose to pursue.

It is for these reasons that we have a direct interest in the economic recovery of Europe. They are enlarged by our desire for the stability of civilization and the welfare of humanity. That we are making sacrifices to that end none can deny. Our deferred interest alone amounts to a million dollars every day. But recently we offered to aid with our advice and counsel. We have reiterated our desire to see France paid and Germany revived. We have earnestly sought to compose differences and restore peace. We shall persevere in well-doing, not by force, but by reason.

Foreign Service.
The foreign service of our government needs to be reorganized and improved.

Fiscal Condition.
Our main problems are domestic problems. Financial stability is the first requisite of sound government. We cannot escape the effect of world conditions. We cannot avoid the inevitable results of the economic disorders which have reached all nations. But we shall diminish their harm to us in proportion as we continue to restore our government finances to a secure and enduring position. This we can do and must do. Upon that firm foundation rests the only hope of progress and prosperity. From that source must come relief for the people.

This is being accomplished by a drastic but orderly retrenchment, which is bringing our expenses within our means. The origin of this has been the determination of the American people, the main support has been the courage of those in authority, and the effective method has been the budget system. The result has involved real sacrifice by department heads, but it has been made without flinching. This system is a law of the congress. It represents your will. It must be maintained, and ought to be strengthened by the example of your observance. Without a budget system there can be no fixed responsibility and no constructive scientific economy.

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 continual 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, to 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 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 advised from time to time by the shipping board. We must have a merchant marine which meets these requirements, and we shall have to pay the cost of its service.

Public Improvements.
The time has come to resume in a moderate way the opening of our intracoastal 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 project of the St. Lawrence river, for which efforts are now being made to secure the necessary treaty with Canada. These projects cannot 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 such 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 depend much 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 oceangoing 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 Commerce 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 consolidations.

It has been erroneously assumed that the act undertakes to guarantee railroad earnings. The law requires that rates should be just and reasonable. That has always been the rule under which rates have been fixed. 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 enjoyment of continuous service by attempting to insure justice between the companies 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 government machinery to aid and stimulate 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 an 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 rate structure 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 5th people who had a background of self-government. New arrivals should

be limited to our capacity to absorb them into the ranks of good citizenship. America must be kept American. For this purpose, it is necessary to continue a policy of restricted immigration. It would be well to make such immigration of a selective nature with some inspection at the source, and based either on a prior census or upon the record of naturalization. Either method would insure the admission of those with the largest capacity and best intention of becoming citizens. I am convinced that our present economic and social conditions warrant a limitation of those to be admitted. We should find additional safety in a law requiring the immediate registration of all aliens. Those who do not want to be partakers of the American spirit ought not to settle in America.

Prohibition.
The prohibition amendment to the Constitution requires the congress and the President to provide adequate laws to prevent its violation. It is my duty to enforce such laws. For that purpose a treaty is being negotiated with Great Britain with respect to the right of search of hovering vessels. To prevent smuggling, the coast guard should be greatly strengthened, and a supply of swift power boats should be provided. The major sources of production should be rigidly regulated, and every effort should be made to suppress interstate traffic. With this action on the part of the national government, and the co-operation which is usually rendered by municipal and state authorities, prohibition should be made effective. Free government has no greater menace than disrespect for authority and continual violation of law. It is the duty of a citizen not only to observe the law but to let it be known that he is opposed to its violation.

The Negro.
Numbered among our population are some 12,000,000 colored people. Under our Constitution their rights are just as sacred as those of any other citizen. It is both a public and a private duty to protect those rights. The congress ought to exercise all its powers of prevention and punishment against the hideous crime of lynching, of which the negroes are by no means the sole sufferers, but for which they furnish a majority of the victims.

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 aviation. Revision is needed of the laws regulating radio interference. Legislation and regulations establishing load lines to provide safe loading of vessels leaving our ports are necessary and re-evaluation of our navigation laws is vital.

Revision of procedure of the federal trade commission will give more constructive purpose to this department.

If our Alaskan fisheries are to be saved from destruction, there must be further legislation declaring a general policy and delegating the authority to make rules and regulations to an administrative body.

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; the navy 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 perfected. 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 national honor.

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. That 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 do to promote the welfare of the people. Our enormous material wealth, our institutions, our whole form of society, cannot 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 the people the inevitable burdens of existence. 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 law for women, which would undoubtedly find sufficient power of enforcement in the influence of public opinion.

Immigration.
American institutions rest solely on good citizenship. They were created

to be limited to our capacity to absorb them into the ranks of good citizenship. America must be kept American. For this purpose, it is necessary to continue a policy of restricted immigration. It would be well to make such immigration of a selective nature with some inspection at the source, and based either on a prior census or upon the record of naturalization. Either method would insure the admission of those with the largest capacity and best intention of becoming citizens. I am convinced that our present economic and social conditions warrant a limitation of those to be admitted. We should find additional safety in a law requiring the immediate registration of all aliens. Those who do not want to be partakers of the American spirit ought not to settle in America.

Veterans.
No more important duty falls on the government of the United States than the adequate care of its veterans. Those suffering 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 human sympathy. If investigation reveals any present defects 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 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 remedies for any defects in the administration of the present laws which 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 unbearably 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 conditions 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.

Reorganization.
A special joint committee has been appointed to work out a plan for a reorganization of the different departments and bureaus of the government more scientific and economical than the present system. With the exception of the consolidation of the War and Navy departments and some minor details, the plan has the general sanction of the President and the cabinet. It is important that reorganization be enacted into law at the present session.

Agriculture.
Aided by the sound principles adopted by the government, the business of the country has had an extraordinary revival. Looked at as a whole, the nation is in the enjoyment of remarkable prosperity. Industry and commerce are thriving. For the most part agriculture is successful, eleven staples having risen in value from about \$5,000,000,000 two years ago to about \$7,000,000,000 for the current year. But range cattle are still low in price, and some sections of the wheat area, notably Minnesota, North Dakota and on west, have many cases of actual distress. With his products not selling on a parity with the products of industry, every sound remedy that can be devised should be applied for the relief of the farmer. He represents a character, a type of citizenship, and a public necessity that must be preserved and afforded every facility for regaining prosperity.

farmer himself are the only real sources for restoration. Indirectly the farmer must be relieved by a reduction of national and local taxation. He must be assisted by the reorganization of the freight-rate structure which could reduce charges on his production. To make this fully effective there ought to be railroad consolidations. Cheaper fertilizers must be provided.

He must have organization. His customer with whom he exchanges products of the farm for those of industry is organized, labor is organized, business is organized, and there is no way for agriculture to meet this unless it, too, is organized. The acreage of wheat is too large. Unless we can meet the world market at a profit, we must stop raising for export. Organization would help to reduce acreage. Systems of co-operative marketing created by the farmers themselves, supervised by competent management, without doubt would be of assistance, but they cannot wholly solve the problem. Our agricultural schools ought to have thorough courses in the theory of organization and co-operative marketing.

Diversification is necessary. Those farmers who raise their living on their land are not greatly in distress. Such loans as are wisely needed to assist buying stock and other materials to start in this direction should be financed through a government agency as a temporary and emergency expedient.

The remaining difficulty is the disposition of exportable wheat. I do not favor the permanent interference of the government in this problem. That probably would increase the trouble by increasing production. But it seems feasible to provide government assistance to exports, and authority should be given the War Finance corporation to grant, in its discretion, the most liberal terms of payment for fats and grains exported for the direct benefit of the farm.

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 retake in time of war, I recommend that this property with a location for auxiliary steam plant and rights of way be sold. This would end the present burden of expense and should return to the treasury the largest price possible to secure.

Reclamation.
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 \$185,000,000, 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.

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 that vision which lifts men and nations above themselves. These are virtues by reason of their own merit. But they must not be cloistered; they must not be impractical; they must not be ineffective.

The world has had enough of the course of hatred and selfishness, of destruction and war. It has had enough of the wrongful use of material power. For the healing of the nations there must be good will and charity, confidence and peace. The time has come for a more practical use of moral power, and more reliance upon the principle that right makes its own might. Our authority among the nations must be represented by justice and mercy. It is necessary not only to have faith, but to make sacrifices for our faith. The spiritual forces of the world make all its final determinations. It is with these voices that America should speak. Whenever they declare a righteous purpose there need be no doubt