

# COOLIDGE DELIVERS FIRST MESSAGE TO AMERICAN PEOPLE

(Continued From Page One)

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.

**League Is Dead**  
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 our own affairs, conserve our own strength, and protect the interests of our own citizens; but we recognize thereby 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 has no reason to desire 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.

**Favors World Court**  
Our foreign policy has always been guided by two principles. The one is the avoidance of permanent political alliances 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, tho 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.

**Can't Recognize Russia, Yet**  
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 dis-

position 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 mete for repentance; 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.

**Foreign Debts Must Be Paid**  
The current debt and interest due from foreign governments, as largely of the British debt of \$4,800,000,000, 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 creditor, 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 \$255,000,000. 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 denied by a recent decision, but there are valid claims reaching 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 largely 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 relieved. We have proposed disarmament. We have earnestly sought to compromise differences and restore peace. We shall persevere in well-doing, not by force, but by reason.

**Fiscal Condition**  
Our main problems are domestic problems. Financial stability is the first requisite of sound government. We can not escape the effect of world conditions. We can not 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 and must do. Upon that firm foundation rests the only hope of progress and prosperity. From that source must come relief for the people.

**Support the Budget**  
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 been real savings by departments, 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.

This great concentration of effort by the administration and congress has brought the expenditures, exclusive of the self-supporting post office department, down to three billion dollars. It is possible, in consequence, to make a large reduction in the taxes of the people, which is the sole object of all curtailment. 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, amusement, and nuisance taxes. The amusements 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 capital investment, thus stimulating industry and employing more labor, 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 war taxes is to give every home a better chance.

**Taxes Must Be Reduced**  
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 reach everywhere and burden 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, I have no hesitation in declaring this one to be paramount. To neglect it, to postpone it, to obstruct it by unsound proposals is to become unworthy of public confidence and untrue to public trust. The country wants this measure to have the right of way over all others.

**Opposes Tax Exemption**  
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.

**Let Tariff Law Stand**  
The present tariff law has accom-

plished its two main objects. It has secured an abundant revenue and has been productive of a rising standard of 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 inequities of sufficient importance exist in any schedule, the power to change them should and will be applied.

**Must Have Merchant Marine**  
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 to the 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 determined by the time of the shipping board. We must have a merchant marine which meets these requirements, and we shall have to pay the cost of its service.

**Railroads Must Pay**  
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 undertaken 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.

**Consolidation Favored**  
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 congress.

**Enforce 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 motor 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 cooperation 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.

**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 yearly compensation. Four-fifths of these are in the classified service. This method of selection of the employees of the United States is especially desirable for the post 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 field force for prohibition enforcement be brought within the classified civil service without covering in the present membership. The best method for selecting public servants is the merit system.

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 count and encouragement more freely in this direction. If anyone doubts the need of concerted action by the states of the nation for 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 consider it 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 this foundation, which the government can approve and commend, but which the people themselves must create.

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

**Opposed to Bonus**  
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 should reveal any present defects of administration or need of legislation, orders will be given for the immediate cor-

rection of administration, and recommendations for legislation should be given the highest preference. At present there are 2,000 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, 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, 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.

**Help for Farmer**  
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 \$5,300,000,000 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 had 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.

The distress is most acute among those wholly dependent upon one crop. Wheat acreage was greatly expanded and has not yet been sufficiently reduced. A large amount is raised for export, which has to meet the competition in the world market of large amounts raised on land much

cheaper and much more productive. No complicated scheme of relief, no plan for government fixing of prices, no resort to the public treasury will be as fully effective there ought to be railroad consolidations. Cheaper fertilizers must be provided. Indirectly the farmer must be relieved by a reduction of national and local taxation. He must be assisted by the reorganization of the freight-charge structure which could reduce charges on his production. To make this fully effective there ought to be railroad consolidations. Cheaper fertilizers must be provided.

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 cooperative marketing created by the farmers themselves supervised by competent management without doubt would be of assistance, but they can not wholly solve the problem. Our agricultural schools ought to have those courses in the theory of organization and cooperative 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 thru 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.

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 project, on 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.

**Appeal for Ideals**  
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 curse 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 that they will be heard. America has taken her place in the world as a republic—free, independent, powerful. The best service that can be rendered to humanity is the assurance that this place will be maintained.

**ANNOUNCING**  
The Formal Opening of  
**Johnson's**  
Fine New and Modern  
**Jewelry Store**  
Saturday, December 8  
Afternoon and Evening

We welcome you to our new store with considerable pride and pleasure, not only from the fact that it is Southern Oregon's finest Jewelry store, but from the knowledge that your good will and patronage has made such a store possible.

We have added every modern convenience and installed the latest equipment to take prompt and efficient care of our constantly growing patronage.

With enlarged quarters and greatly increased stocks, this fine new store will rank with the best of the state.

**Favors for the Ladies**

**The Secret of Good Baked Beans**  
KITCHEN BOUQUET does for baked beans what it does for gravies—greatly adds to their flavor and improves their color.

In Boston, where the preparation of all kinds of beans has reached a perfection that is the despair of all other sections, KITCHEN BOUQUET is most liberally used.

Preparing for the oven, add a tablespoonful to a quart of beans. Prepare your beans the Boston way.

**KITCHEN BOUQUET**