

judgments, when once the facts have been presented to them clearly and without prejudice. It is in this educational work, national in its scope, that The Associated Press performs, and upon its integrity and fairness depends in large measure the course of public opinion in the United States. This work is done without any tinge of personal or political opinion. A very practical need exists, and it is met by a very practical service. It is individual in its nature. It is a personal service for each one of us, making its appeal entirely to the intelligence of the individual and recognizing fully the American ideal of intellectual independence.

Associated Press Necessary.

This conception is not exactly at variance with, but certainly supplementary to, the long cherished American ideal of the independence of the individual and the independence of the nation. Granted that the largest possible independence is a desirable goal, the consideration at once arises as to how such independence can best be secured. The work of The Associated Press, both necessary and logical, indicates that the true method would appear to lie in recognizing the broad principle of our individual and national dependence, calculating the requirements which flow from that condition, and governing ourselves accordingly. Complete independence means complete co-ordination and co-operation. From this principle arises the oft-repeated law of service—we can help ourselves only as we help others. A knowledge and an understanding of others become absolutely necessary, in order to make our ideals practical. One of the pre-eminent requirements of our country at the present time is to re-establish and emphasize in the public mind this law of service. The danger to America is not in the direction of the failure to maintain its economic position, but in the direction of the failure to maintain its ideals.

The principle of service is not to be confounded with a weak and impractical sentimentalism. It does not mean that either the individual or the nation is to assume the burdens which ought to be borne by others. It is warranted in considering self to the extent of recognizing that it is justifiable to accumulate and hold the resources which must necessarily be used to serve ourselves, our own household, and our own nation. But it does not stop there. It recognizes also the necessity of serving others, and when the need arises for meeting a moral requirement, of making individual and national sacrifices sufficient to maintain the cause of righteousness.

Dangers Dramatically Revealed.

Some of the recent developments in Washington have revealed the dangers to which I refer in a very dramatic way. Beginning nearly ten years ago our country entered a period when conditions were altogether artificial and abnormal, culminating in the strained and lurid events of our participation in the war. The old standards of action were either suspended or entirely cast aside. Altogether too many of those in a position to do so began to take advantage of the necessities of the situation for their own profit. Finally nearly all of those in responsible positions throughout the entire civilized world had but one main object in view, which was the winning of the war. They began to make almost every consideration and move subsidiary to that great effort. Totally inconceivable amounts of money were raised and expended with a lavishness which a few months before would have been believed impossible, and which now seems like some wild nightmare. Notwithstanding the great wave of patriotic fervor which swept over the land; notwithstanding the tremendous sacrifices which the people in every walk of life made, and stood ready to make; almost unconsciously these conditions developed, which I mention not for any purpose now to criticize, where the least scrupulous became the greatest gainers and a considerable part of our population was thrown into a morbid financial state of mind, which even the best intentions did not wholly escape. The desire for profit and more profits kept on increasing, and the quest for easy money became well-nigh universal. All of this meant an attempt to appropriate the belongings of others without rendering a corresponding service.

This condition began to subside nearly four years ago, but it left along its course a trail of vicious and criminal selfishness which in diminishing degree has ever since been attempting to gratify an appetite grown sharp through indulgence and a general credulity to rumors of large sums of money demanded and paid on account of every conceivable motive and action.

Some Public Officers Guilty.

From all of this sordidness the affairs of government, of course, suffered. In some of it a few public officers were guilty participants. But the wonder is not that this was so much or so many, rather that it has been so little and so few. The encouraging thing at present is the evidence of a well-nigh complete return to normal methods of action, and a sane public opinion. The gravity of guilt of this kind is fully realized and publicly reprehended. There is an exceedingly healthy disposition to uproot it altogether, and administer punishment wherever competent evidence of guilt can be produced. That I am doing and propose to continue.

Another phase of lingering extravagance, from which the country has not fully recovered, is revealed by a consideration of the bills which are pending before the Congress, calling for an expenditure of public money. Exceedingly great efforts have been put forth to reduce the cost of Government. Hundreds of thousands of public employes have been released, and every department has been thoroughly deflated and placed under most competent financial supervision. The country as a whole is demanding with great vigor every possible relief from the burden of every unnecessary public expenditure. Yet notwithstanding this, minority groups of one kind or another, and organizations, sometimes almost nation-wide in their ramifications, are making the most determined assaults upon the public treasury. I am advised by the Director of the Bureau of the Budget that there are bills pending that are seriously pressed for passage, not including the bonus, which would increase the expenditures of the Federal Government for next year by about \$3,600,000,000.

Calls For Constructive Economy.

This would mean that outside of the Post Office Department, which is practically self-sustaining, the present rate of expenditure would be more than doubled. Each one of these items taken by itself is not large, and its supporters argue that certainly the Government can afford to make this small additional payment. But taken in the aggregate they make the stupendous sum here mentioned, and their assumption by the Government would mean nothing less than financial disaster to the nation. The law of service must be applied to this situation. Our country is very rich, but were its possessions increased many fold, it would not be warranted in paying out money except for value received. Value received on the part of the Government is estimated by a general consideration of all the attending conditions. At present our country does not need a greater outlay of expenditures, but a greater application of constructive economy. The same state of mind is revealed again in the determined resistance

which is made to the adoption of a sound method of taxation. The main argument of the opposition can be reduced to the supposition that the general public can be relieved of taxation and a greater proportion of taxes laid on the rich. I shall not examine the soundness of this proposal, the economic injury it would do, or its impossibility as a working principle. I mention it as another example of an attempt to minister to a supposed desire to evade the law of service. It seems as though the public is assuming the desire to have the advantages of a government without paying its part of the cost of maintaining it. Besides being convinced that such a result is utterly impossible of accomplishment, an even more serious belief that it misrepresents the general attitude of the public mind.

Government Should Lighten Burden.

Moreover, the success of the Government does not lie in wringing all the revenue it can from the people, but in making their burden as light and fairly distributed as possible, consistent with the proper maintenance of the necessary public functions. The Government itself, in order to be successful, and all those connected with it, must put all of their energy upon what they can do for the people, not upon what they can get out of them.

These are some of the reasons which reveal to us why, in our domestic affairs, we must be possessed of accurate information of the wants and needs of others, in order that we may best serve ourselves by serving them through appropriate action. We are all a part of one common country. To be in a healthy and successful condition economically, means a free interchange of goods and services based upon that mutual faith in each other which we term public confidence. Notwithstanding the disturbing character of recent revelations, notwithstanding the enormous pressure for the passage of legislation which would increase the burden of cost of maintaining the Government of the United States, notwithstanding the failure of a majority of the Congress up to the present time accurately to comprehend and expediently to meet the need for a taxation reform, I believe that the requirements of economy and reduced taxes will be met in a way not inconsistent with the great resources of our country.

While I have thought it desirable to point out dangerous tendencies, I know that with few exceptions the management of our Government has been and is in honest and competent hands, that its finances are sound and well managed, and that the business interests of the nation, including the owners, managers and employes, are representative of honorable and patriotic motives, and that the present economic condition warrants a continuation of confidence and prosperity. Fundamentally, America is sound. It has both the power and disposition to maintain itself in a healthy economic and moral condition. But it can not do this by turning all its thoughts in on itself, or by making its material prosperity its supreme choice. Its selfishness is only another name for suicide. A nation that is morally dead will soon be financially dead. The progress of the world rests on courage, honor and faith. If America wishes to maintain its prosperity, it must maintain its ideals.

Peace an American Ideal.

When we turn to our foreign relations, we see the working out of the same laws. If there is one ideal of national existence to which America has adhered more consistently than to any other, it has been that of peace. Whatever other faults may be charged to our country, it has never been quarrelsome, belligerent, or bent on military aggrandisement. After all, the main support of peace is understanding. It is a matter of accurate information by one government and one people about other governments and other peoples. There is likewise involved the same law of service.

If our country is to stand for anything in the world, if it is to represent any forward movement in human progress, these achievements will be measured in no small degree by what it is able to do for others. Up to a little more than twenty-five years ago, America gave almost its entire attention to self-government. In that it achieved an unequalled success. The service which it rendered to others was to a considerable degree one of example. It revealed the ability of the people to take charge of their own affairs. It demonstrated the soundness and strength of self-government under free institutions, while affording a refuge for the oppressed of other lands. The great influence which the mere existence of American institutions exercised upon the rest of the world would be difficult to overestimate. At the end of a long period of steady accomplishments of this nature came the war with Spain, which left our country a world power with world responsibilities. It is not too much to say that in meeting and bringing that conflict to a successful conclusion our country performed a world service.

Our Part in War Decisive.

This was followed by a period of most remarkable industrial development. There were great consolidations of properties, enormous investments of capital, and a stupendous increase of production, all accompanied by a growth of population reaching many millions. This was our condition at the outbreak of the World War. For a long time we sought to avoid this conflict, on the assumption that it did not concern us. On that subject we were lacking in accurate information. We found at last that while it was not the grave concern of others, it did concern us intimately and perilously. We took our part in the war at length, in the defense of free institutions. We believe, while acknowledging that we were by one of the contributing elements, that our participation was a decisive factor. The result was a demonstration of the strength of self-governing peoples and a victory for free institutions. Our action at this time was distinctly a world service. America made its sacrifice for that it believed was the cause of righteousness.

The sacrifices made on these occasions, which resulted in a benefit to others, resulted likewise in a benefit to ourselves. Even the evil effects which always arise from war and its aftermath have only tempered, not obliterated, these results. A flow of material resources set in toward our country, which is still going on. The general standards of living were raised. In the resulting plenty many of the old hardships of existence were removed. Our country came into a position where it had a greatly increased opportunity for world leadership. In moral power it took a higher rank.

Rejection of Covenant Final.

There can be little doubt that our presence at the treaty table softened the terms and diminished the exactions of the victorious nations, where joint covenants of defensive alliance were in part substituted for the usual territorial transfers. Our country refused to adhere to the covenant of the League of Nations with a decisive rejection which I regard as final. Following this was a continuing effort to collect reparations, which the economic chaos of Germany after a time caused to be suspended. This resulted in the French seizure of the Ruhr, with allied conferences, plans and discussions for renewing payments of reparations under some sort of method of permanent adjustment. Although indirectly interested by reason of our commerce, and more especially because of the debts due to us, in having a European settlement, our Government felt that the fundamental questions involved in all these discussions were the direct political concern of Europe. Our policy relative to the debts due to us from European countries was well known, and we refused to submit to any further discussions. This never meant that America was not willing to lend its assistance to the solution of the European problem

in any way that did not involve us in their purely political controversies, whenever opportunity presented a plan that promised to be just and effective. But we realized that all effort was useless until all parties came to a state of mind where they saw the need to make concessions and accept friendly counsel.

In December of the year 1922 our Secretary of State, Mr. Hughes, set out the American proposal in an address which he delivered at New Haven. That proposal has now become historic. He recognized that settlement of the reparations question was probably the most important problem after the method of a political problem. It was not so much a question to be dealt with by public officers or diplomatic agencies, which must necessarily reflect to a very marked degree the state of mind of the various countries, but was represented as one which could be solved by the application of pure business talent and experienced private enterprise. To such an effort of business men, unhampered by unnecessary political considerations, Mr. Hughes expressed the belief that competent American citizens in private life would be ready to lend their assistance. This position was consistently maintained. Its correctness was finally demonstrated. Mr. De Witt, Mr. Young and Mr. Robinson were invited by the Reparation Commission for that purpose, and consented to serve.

Sees Hope in Dawes Report.

The finding of the experts, which is known as the Dawes Report, has recently been made and published. It shows a great deal of research and investigation, and a broad comprehension of the requirements of the situation. It has been favorably received by the Reparation Commission. It is gratifying to understand that the Allies are looking upon it with full sympathy, and Germany has expressed a willingness to cooperate in the execution of the plan. There appears to be every reason to hope that the report offers a basis for a practical solution of the reparations problem. I trust that it may commend itself to all the European governments interested as a method by which, through mutual concessions, they can arrive at a stable adjustment of the intricate and vexatious problem of reparations, and that such an outcome will provide for the restoration of Germany and the largest possible payments to the other countries.

Favors Loan to Germany.

Part of the plan contemplates that a considerable loan should at once be made to Germany for immediate pressing needs, including the financing of a bank. I trust that private American capital will be willing to participate in advancing this loan. Sound business reasons exist why we should cooperate in financing a program of peace in Europe, though we have repeatedly asserted that we were not in favor of advancing funds for any military purpose. It would benefit our trade and our industry, and we especially hope that it will provide a larger market for our agricultural production. It is notorious that foreign gold has been flowing into our country in great abundance. It is altogether probable that some of it can be used more to our financial advantage in Europe than it can be in the United States. Besides this, there is the humanitarian requirement, which carries such a strong appeal, and the knowledge that our abundance of it is our duty to help where help will be used for meeting just requirements and the promotion of a peaceful purpose. We have determined to maintain, and can maintain, our own political independence but our economic independence will be strengthened and increased when the economic stability of Europe is restored.

We hope further that such a condition will be the beginning of a secure and enduring peace. Certainly it would remove many of the present sources of disagreement and misunderstanding among the European nations. When this adjustment is finally made, and has had sufficient time to operate to become a settled European policy, it would lay the foundation for a further effort at disarmament in accordance with the theory of the Washington Conference. Although that gathering was able to limit capital battleships, it had to leave the question of submarines, air craft and land forces unsolved. The main reason for this was the unsettled and almost threatening condition that still existed in Europe. A final adjustment for the liquidation of reparations ought to be the beginning of a new era of peace and good-will.

Pleads for Arbitration.

In the event that such a condition develops, it becomes pertinent to examine what can be done by our own country, in cooperation with others, further to rid ourselves and the rest of the world of the menace and burden of competitive armaments and more effectively insure the settlement of difference between nations, not by a recourse to arms, but by a recourse to reason; not by action leading to war, but by action leading to justice. Our past experience should warn us not to be overconfident in the face of so many failures, but it also justifies the hope that something may be done where already there has been some success, and at least we can demonstrate that we have done all that we can.

As a result of American initiative there is already in existence the Hague Tribunal which is equipped to function wherever arbitration seems desirable, and based in part on that, and in part on the League, there is the International Court of Justice, which is already functioning. A proposal was sent to the last Senate by President Harding for our adherence to the covenant establishing this court, which I submitted to the favorable consideration of the present Senate in my annual message. Other plans for a World Court have been broached, but up to the present time this has seemed to me the most practical one. But these proposals for arbitration and courts are not put forward by those who are well informed with the idea that they could be relied upon as an adequate means for entirely preventing war. They are rather a method of securing adjustment of claims and differences, and for the enforcement of treaties, when the usual channels of diplomatic negotiation fail to resolve the difficulties.

Proposals have also been made for the codification of international law. Undoubtedly something might be accomplished in this direction, although a very large body of such law consists in the understanding and establishment of rules of warfare and determining the status of neutrals. One of the difficulties to be encountered would be the necessity of securing the consent of all the nations, but no doubt the agreement of the major powers would go very far in producing that result.

Seeks Further Disarmament.

I do not claim to be able to announce any formula that will guarantee the peace of the world. There are certain definite things, however, that I believe can be done, which certainly ought to be tried, that might relieve the people of the earth of much of the burden of military armaments and diminish the probability of military operations. I believe that among these are frequent international conferences suited to particular needs. The Washington Conference did a great deal to restore harmony and good will among the nations. Another purpose of a conference is the further limitation of competitive armaments. Much remains to be accomplished in that direction, it would appear to me, if it were not for the fact that present conditions, but with a certain and definite settlement of German

reparations firmly established, I should favor the calling of a similar conference to achieve such limitations of armaments and initiate plans for a codification of international law, should preliminary inquiries disclose that such a proposal would meet with a sympathetic response. But the main hope of success lies in first securing a composed state of the public mind in Europe.

It is my firm belief that America is in a position to take the lead in this direction. It is undoubtedly too much to suppose that we hold very much of the affectionate regard of other nations. At the same time we do hold their respect. Our position is such that we are trusted and our business institutions and Government considered to be worthy of confidence. If there is disappointment in some directions that we do not enter alliances with them, it is more than overbalanced by the knowledge that there is no danger that we shall enter alliances against them. It must be known to every people that we are seeking no acquisition of territory, and maintaining no military establishment with unfriendly and hostile intent. Like our political institutions all of this is a powerful example throughout the world. Very many of the nations have been the recipients of our favor, and have had the advantage of our help in some time of extremity. We have no traditional enemies. We have come to a position of great power and great responsibility.

Our first duty is to ourselves. American standards must be maintained. American institutions must be preserved. The freedom of the people politically, economically, intellectually, morally and spiritually, must continue to be advanced. This is not a matter of a day or a year. It may be of generations; it may be an era. It is for us here and now to keep in the right direction, to remain constant to the right ideals. We need a faith that is broad enough to let the people make their own mistakes. Let them come unto knowledge and understanding by their own experience. Little progress can be made by merely attempting to repress what is evil; our great hope lies in developing what is good. One newspaper is better than many criminal laws. One schoolmaster is better than a legion of bailiffs. One clergyman is better than an army with banners. These are our guarantees of internal peace and progress.

Moral Power is Our Strength.

On what nations are at home depends what they will be abroad. If the spirit of freedom rules in their domestic affairs, it will rule in their foreign affairs. The world knows that we do not seek to rule by force of arms, our strength is in our moral power. We increase the desire for peace everywhere by being peaceful. We maintain a military force for our defense, but our offensive lies in the justice of our cause. We are against war because it is destructive. We are for peace because it is constructive. We seek concord with all nations through mutual understanding. We believe in treaties and covenants and international law as a permanent record for a reliable determination of action. All these are evidences of a right intention. But something more than these is required, to maintain the peace of the world. In its final determination, it must come from the heart of the people. Unless it abide there, we cannot build for it any artificial lodging place. If the will of the world be evil, there is no artifice by which we can protect the nations from evil results. Governments can do much for the betterment of the world. They are the instruments through which humanity acts in international relations. Because they cannot do everything, they must not neglect to do what they can. But the final establishment of peace, the complete maintenance of good will toward men, will be found only in the righteousness of the people of the earth. Wars will cease when they will that they shall cease. Peace will reign when they will that it shall reign.

THE PRESIDENT'S SPEECH.

The full text of President Coolidge's speech follows:

The gathering and publication of news has a deeper significance than is sometimes realized. No large enterprise can exist for itself alone. It ministers to some great need, it performs some great service, not for itself but for others; or, failing therein it ceases to be profitable and ceases to exist. This is the case with the Associated Press. It is one of the eyes of mankind which never slumbers. Without ceasing, it assembles each day the events of each part of the world, and transmits them to every other part. The fundamental reason for this lies in the fact that it is felt to be of vital importance to each man and each community to know what other men and other communities are doing. The news is printed and read, not for the mere purpose of entertainment, amusement and recreation, but almost entirely for the practical purpose of information. In order that by means of accurate and reliable knowledge of what others are doing a course may be laid out of accurate and successful action.

Faith in the American people means a faith in their ability to form sound