COX FOR LEAGUE OF NATIONS WITH RESERVATIONS

VERSAILLES COVENANT DECLARED SUPREME ISSUE OF CENTURY

First Duty of New Administration, Democratic Presidential Candidate Asserts in Speech of Acceptance, Is Ratification of Treaty

INTERPRETATIONS FAVORED AS PRECAUTION AGAINST MISUNDERSTANDINGS IN FUTURE

Dayton, O., Aug. 7.

GOVERNOR COX'S speech, in accepting the nomination of the Democratic party as its presidential candidate, was as follows:

Chairman Robinson, and members of the notification committee: The message which you bring from the great conference of progressive thought assembled under the formal auspices of the Democratic party inspires within me a pride and an appreciation which I cannot voice. At the same time I am mindful of the responsibility which this function now officially places upon me. As I measure my own limitations the task ahead of us would be approached with more than a feeling of diffidence if I were not strengthened and reassured by the faith that one has only to practice true fidelity to conscience. It is not a difficult thing to know what we ought to do; the sense of right and wrong has been given with divine equality. The mistakes of history are the result of weakness in the face of tempting interests. I thank God, therefore, that I take up the standard of Democracy a free man, unfettered by promises and happy in the consciousness of untrammeled opportunity to render a service in the name of government that will hold for it the confidence which it deserves.

We are in a time which calls for straight thinking, straight talking and straight acting. This is no time for wabbling. Never in all our history has more been done for government. Never was sacrifice more sublime. The most precious things of heart and home were given up in a spirit which guarantees the perpetuity of our institutions—if the faith is kept with those who served and suffered. The altar of our republic is drenched in blood and tears, and he who turns away from the tragedies and obligations of the war, not consecrated to a sense of honor and of duty which resists every base suggestion of personal or political expediency, is unworthy of the esteem of his countrymen.

Chart for Future Clear

The men and women who by expressed policy at the San Francisco convention charted our course in the open seas of the future sensed the spirit of the hour and phrased it with clarity to read and reread the Democratic platform to know its meaning. It is a document clear in its analysis of conditions and plain in the pledge of service made to the public. It carries honesty of word and intent.

Proud of the leadership and achievement of the party in war, Democracy faces unafraid the problems of peace. Indeed, its pronouncement has but to be read along with the platform framed by Republican leaders in order that both spirit and purpose as they dominate the opposing organizations may be contrasted. On the one hand we see pride expressed in the nation's glory and a promise of service easily understood. On the other a captious, unhappy spirit and the treatment of subjects vital to the present and the future in terms that have completely confused the public mind. It was clear that the senatorial oligarchy had been given its own way in the selection of the presidential candidate, but it was surprising that it was able to fasten into the party platform the creed of hate and bitterness and the vacillating policy that possesses it.

In the midst of war the present senatorial cabal, led by Senators Lodge, Penrose and Smoot, was formed. Superficial evidence of loyalty to the President was deliberate in order that the great rank and file of their party, faithful and patriotic to the very core, might not be offended. But underneath this misleading exterior, conspirators planned and plotted, with bigoted zeal. With victory to our arms they delayed and obstructed the work of peace. If deemed useful to the work in hand no artifice for interfering with our constitutional peacemaking authority was rejected. Before the country knew, yea, before these men themselves knew the details of the composite plan formed at the peace table, they declared their opposition to it.

Custom and Precedent Violated

Before the treaty was submitted to the Senate in the manner the constitution provides, they violated every custom and every consideration of decency by presenting a copy of the document, procured unblushingly from enemy hands, and passed it into the printed record of senatorial proceedings. From that hour dated the enterprise of throwing the whole subject into a technical discussion, in order that the public might be confused. The plan has never changed in its objective, but the method has.

At the outset there was the careful insistence that there was no desire to interfere with the principle evolved and formalized at Versailles. Later, it was the form and not the substance that professedly inspired attack. But pretense was futile when proposals later came forth that clearly emasculated the basic principle of the whole peace plan. It is not necessary to recall the details of the controversy in the Senate. Senator Lodge finally crystallized his ideas into what were known as the Lodge reservations, and when Congress adjourned these reservations held the support of the so-called regular Republican leaders.

Political Expediency First

From that time the processes have been interesting. Political expediency in its truest sense dwarfed every consideration either of the public interest or of the maintenance of the honor of a great political party. The exclusive question was how to avoid a rupture in the Republican organization. The country received with interest, to say the least, the announcement from Chicago, where the national convention was assembled, that a platform plank, dealing with the subject of world peace, had been drawn, leaving out the Lodge reservations, and yet remaining agreeable to all interests, meaning thereby the Lodge reservationists, the mild reservationists and the group of Republican senators that openly opposed the League of Nations in any form.

As the platform made no definite committal of policy and was, in fact, so artfully phrased as to make almost any deduction possible, it passed through the convention with practical unanimity. Senator Johnson, however, whose position has been consistent and whose opposition to the league in any shape is well known, withheld his support of the convention's choice until the candidate had stated the meaning of the platform, and announced definitely the policy that would be his, if elected.

The Republican candidate has spoken and his utterance calls forth the following approval from Senator Johnson:

"Yesterday in his speech of acceptance Senator Harding unequivocally took his stand upon the paramount issue in this campaign—the League of Nations. The Republican party stands committed by its platform. Its standard-bearer has now accentuated that platform. There can be no misunderstanding his words."

Senator Harding, as the candidate of the party, and Senator Johnson are as one on this question, and, as the latter expresses it, the Republican party is committed both by platform in the abstract and by its candidate in specification. The threatened revolt among leaders of the party is averted, but the minority position as expressed in the Senate prevails as that of the party. In short, principle, as avowed in support of the Lodge reservations, or of the so-called mild reservations, has been surrendered to expediency.

Harding's New Pledge

Senator Harding makes this new pledge of policy in behalf of his party:

"I promise you formal and effective peace so quickly as a Republican congress can pass its declaration for a Republican executive to sign."

This means but one thing—a separate peace with Germany!

This would be the most disheartening event in civilization since the Russians made their separate peace with Germany, and infinitely more unworthy on our part than it was on that of the Russians. They were threatened with starvation and revolution had swept their country. Our soldiers fought side by side with the Allies. So complete was the coalition of strength and purpose that General Foch was given supreme command, and every soldier in the allied cause, no matter what flag he followed, recognized him as his chief.

We fought the war together, and now before the thing is through it is proposed to enter into a separate peace with Germany! In good faith we pledged our strength with our associates for the enforcement of terms upon offending powers, and now it is suggested that this be withdrawn.

Suppose Germany, recognizing the first break in the Allies, proposes something we cannot accept. Does Senator Harding intend to send an army to Germany to press her to our terms? Certainly the allied army could not be expected to render aid. If, on the other hand, Germany should accept the chance we offered of breaking the bond it would be for the express purpose of insuring a German-American alliance, recognizing that the Allies—in fact, no nation in good standing—would have anything to do with either of us.

This plan would not only be a piece of bungling diplomacy, but plain, unadulterated dishonesty as well.

Senator Lodge Quoted

No less an authority than Senator Lodge said, before the heat of recent controversy, that to make peace except in company with the Allies would "brand us everlastingly with dishonor and bring ruin to us."

And then after peace is made with Germany, Senator Harding would, he says, "hopefully approach the nations of Europe and of the earth, proposing that understanding which makes us a willing participant in the consecration of nations to a new relationship."

In short, America, refusing to enter the League of Nations (now already established by twenty-nine nations) and bearing and deserving the contempt of the world, would submit an entirely new project. This act would either be regarded as arrant madness or attempted international bossism.

The plain truth is that the Republican leaders, obsessed with a determination to win the presidential election, have attempted to satisfy too many divergent views. Inconsistencies, inevitable under the circumstances, rise to haunt them on every hand, and they find themselves arrayed in public thought, at least, against a great principle. More than that, their conduct is opposed to the idealism upon which their party prospered in other days.

League Critics Arraigned

Illustrating these observations by concrete facts, let it be remembered that those now inveighing against an interest in affairs outside of America criticized President Wilson in unmeasured terms for not resenting the invasion of Belgium in 1914. They term the League of Nations a military alliance, which, except for their opposition, would envelop our country, when, as a matter of truth, the subject of a League of Nations has claimed the best thought of America for years, and the League to Enforce Peace was presided over by so distinguished a Republican as ex-President Taft, who, before audiences in every section, advocated the principle and the plan of the present league.

They charge experimentation, when we have as historical precedent the Monroe Doctrine, which is the very essence of Article X of the Versailles covenant. Skeptics viewed Monroe's mandate with alarm, predicting recurrent wars in defense of Central and South American states, whose guardians they allege we need not be. And yet not a shot has been fired in almost 100 years in preserving sovereign rights on this hemisphere.

They hypocritically claim that the League of Nations will result in our boys being drawn into military service, but they fail to realize that every high school youngster in the land knows that no treaty can override our constitution, which reserves to Congress, and to Congress alone, the power to declare war.

They preach Americanism with a meaning of their own invention, and artfully appeal to a selfish and provincial spirit, forgetting that Lincoln fought a war over the purely moral question of slavery, and that McKinley broke the fetters of our boundary lines, spoke the freedom of Cuba and carried the torch of American idealism to the benighted Philippines. They lose memory of Garfield's prophecy that America, under the blessings of God-given opportunity, would by her moral leadership and co-operation become a Messiah among the nations of the earth.

Supreme Issue of Century

These are fateful times. Organized government has a definite duty all over the world. The house of civilization is to be put in order. The supreme issue of the century is before us and the nation that halts and delays is playing with fire. The finest impulses of humanity, rising above national lines, merely seek to make another horrible war impossible. Under the old order of international anarchy war came overnight, and the world was on fire before we knew it. It sickens our senses to think of another.

We saw one conflict into which modern science brought new forms of destruction in great guns, submarines, airships and poison gases. It is no secret that our chemists had perfected, when the contest came to a precipitate close, gases so deadly that whole cities could be wiped out, armies destroyed, and the crews of battleships smothered. The public prints are filled with the opinions of military men that in future wars the method, more effective than gases or bombs, will be the employment of the germs of diseases, carrying pestilence and destruction. Any nation prepared under these conditions, as Germany was equipped in 1914, could conquer the world in a year.

It is planned now to make this impossible. A definite plan has been agreed upon. The League of Nations is in operation. A very important work, under its control, just completed, was participated in by the Hon. Elihu Root, secretary of state under the Roosevelt administration. At a meeting of the council of the League of Nations February 11, an organizing committee of twelve of the most eminent jurists in the world was selected. The duty of this group was to devise a plan for the establishment of a permanent court of international justice, as a branch of the league. This assignment has been concluded by unanimous action.

This augurs well for world progress. The question is whether we shall or shall not join in this practical and humane movement. President Wilson, as our representative at the peace table, entered the league in our name, in so far as the executive authority permitted. Senator Harding, as the Republican candidate for the presidency, proposes in plain words that we remain out of it. **As the Democratic candidate, I favor going in.**

Harding's Plan Analyzed

Let us analyze Senator Harding's plan of making a German-American peace, and then calling for a "new relationship among nations," assuming, for the purpose of argument only, that the perfidious hand that dealt with Germany would possess the power or influence to draw twenty-nine nations away from a plan already at work and induce them to retrace every step and make a new beginning.

This would entail our appointing another commission to assemble with those selected by the other powers. With the Versailles instrument discarded, the whole subject of partitions and divisions of territory on new lines would be reopened. The difficulties in this regard, as any fair mind appreciates, would be greater than they were at the peace session, and we must not attempt to convince ourselves that they did not try the genius, patience and diplomacy of statesmen at that time. History will say that, great as was the allied triumph in war, no less a victory was achieved at the peace table.

The Republican proposal means dishonor, world confusion and delay. It would keep us in permanent company with Germany, Russia, Turkey and Mexico. It would entail, in the ultimate, more real injury than the war itself. The Democratic position on the question, as expressed in the platform, is:

"We advocate immediate ratification of the treaty without reservations which would impair its essential integrity, but do not oppose the acceptance of any reservation making clearer or more specific the obligations of the United States to the league associates."

League Ratification First Duty

The first duty of the new administration clearly will be the ratification of the treaty. The matter should be approached without thought of the bitterness of the past. The public verdict will have been rendered, and I am confident that the friends of world peace as it will be promoted by the league will have in numbers the constitutional requisite to favorable senatorial action.

The captious may say that our platform reference to reservations is vague and indefinite. Its meaning, in brief, is that we shall state our interpretation of the covenant as a matter of good faith to our associates and as a precaution against any misunderstanding in the future. The point is that after the people shall have spoken the league will be in the hands of its friends in the Senate, and a safe index as to what they will do is supplied by what reservations they have proposed in the past.

Position on Covenant Restated

Some months ago, in a contributed article to the New York Times, I expressed my own opinion of the situation as it then was. I reproduce it here:

"There can be no doubt that some senators have been conscientious in their desire to clarify the provisions of the treaty. Two things apparently have disturbed them: First, they wanted to make sure that the league was not to be an alliance, and that its basic purpose was peace and not controversy. Second, they wanted the other powers signing the instrument to understand our constitutional limitations beyond which the treaty-making power cannot go. Dealing with these two questions in order, it has always seemed to me that the interpretation of the function of the league might have been stated in these words:

"'In giving its assent to this treaty, the Senate has in mind the fact that the League of Nations which it embodies was devised for the sole purpose of maintaining peace and comity among the nations of the earth and preventing the recurrence of such destructive conflicts as that through which the world has just passed. The co-operation of the United States with the league and its continuance as a member thereof will naturally depend upon the adherence of the league to that fundamental purpose.'

"Such a declaration would at least express the view of the United States and justify the course which our nation would unquestionably follow if the basic purpose of the league were at any time distorted. It would also appear to be a simpler matter to provide against any misunderstanding in the future and at the same time to meet the objections of those who believe that we might be inviting a controversy over our constitutional rights, by making a senatorial addition in words something like these:

"'It will, of course, be understood that in carrying out the purpose of the league, the government of the United States must at all times act in strict harmony with the terms and intent of the United States constitution, which cannot in any way be altered by the treaty-making power.'"

Further Proposals Not Barred

Unquestioned friends of the league have made other proposals. Our platform clearly lays no bar against any additions that will be helpful, but it speaks in a firm resolution to stand against anything that disturbs the vital principle. We hear it said that interpretations are unnecessary. That may be true, but they will at least be reassuring to many of our citizens, who feel that in signing the treaty there should be mental reservations that are not expressed in plain words, as a matter of good faith to our associates.

Such interpretations possess the further virtue of supplying a base upon which agreement can be reached, and agreement, without injury to the covenant, is now of pressing importance. It was the desire to get things started that prompted some members of the Senate to vote for the Lodge reservations. Those who conscientiously voted for them in the final rollcalls realized, however, that they acted under duress, in that a politically bigoted minority was exercising the arbitrary power of its position to enforce drastic conditions.

Happily, the voters of the republic, under our system of government, can remedy that situation, and I have the faith that they will, at the election this fall. Then organized government will be enabled to combine impulse and facility in the making of better world conditions. The agencies of exchange will automatically adjust themselves to the opportunities of commercial freedom. New life and renewed hope will take hold of every nation. Mankind will press a resolute shoulder to the task of readjustment and a new era will have dawned upon the earth.

Domestic Problems Pressing

We have domestic problems to be settled. They are most pressing. Many conditions growing out of the war will not and should not continue. The work of readjustment will call for our best energy, ingenuity, unselfishness and devotion to the idea that it is the general welfare we must promote. **One of the first things to be done is the repeal of war taxes.** The entry of America into the world war projected our people into an unparalleled financial emergency, which was faced with a determination to make every sacrifice necessary to victory. Billions in liberty loans subscribed by patriots regardless of their financial condition were instantly placed at the disposal of the government and other billions were gladly paid into the treasury through many forms of taxation. To have paid by current taxes more than one-third of the expense of the greatest war in the history of mankind is a reflection on the high sense of national duty with which we of America view the obligations of this generation.

Immediately following the armistice, measures to modify onerous and annoying taxation should have been taken and the Republican Congress, in which all tax laws must originate and which for almost two years has exclusively held the power to ameliorate this condition, has not made a single effort or passed a single law to lift from the American people a load of war taxation that cannot be tolerated in a time of peace. **Federal taxation must be heavily reduced, and it will be done at once, if a Democratic administration is chosen in November.**

Saving of $2,000,000,000 Yearly Possible

Without hampering essential national administrative departments, by the elimination of all others and strict economy everywhere, national taxes can be reduced in excess of $2,000,000,000 yearly. Annoying consumption taxes, once willingly borne, now unjustified, should be repealed. The incomes from war-made fortunes, those of nonproducers and those derived from industries that exist by unfair privileges may be able to carry their present load, but taxes on the earnings of the wage-earner, of the salaried and professional man, of the agricultural producer and of the small tradesman should be sharply modified.

I believe that a better form of taxation than the so-called excess profits tax may be found and I suggest a small tax, probably 1 to 1½ per cent, on the total business of every going concern. It is to be understood that the term "business" so used does not include income received by wage-earners, salaried men, agriculturists and the small business man who should be exempt from this tax.

The profiteer and some of the highly capitalized units have used the excess profits tax as a favorite excuse for loading on the consumer by means of highly inflated selling prices many times the amount actually paid the government. A necessary condition to the national contentment and sound business is a just proportion between fair profits to business and fair prices to the consumer. It is unquestioned that the enormous expansion of public and private credit made necessary, as a part of war financing, the diversion of the products of many industries from their usual channels, as well as the disturbance to general business caused by the withdrawal of millions of men from producing fields, all contributed to the rise in prices.

Reversion of these various agencies to a more stable condition will tend toward a recession in the enormously inflated present prices of many commodities and property values and there are now evidences that a sane adjustment is not far distant. Deep patriotic sentiment enthralled our people during the war and slight attention was given to the enormous economic changes that were then in progress, and when observed these changes were generally accepted as one of the trials necessary to be endured and they were submerged in the thought and purpose for victory.

While millions of free men, regardless of wealth or condition, were giving of their blood and substance, many corporations and men seized the very hour that civilization lay prostrate to secure for themselves fortunes wrung from the public and from the government by the levying of prices that in many cases were a crime. Under present taxation laws much capital is drawing out of industry and finding investment in non-taxable securities. This will cease if the changes suggested are made.

In the analysis of government, as the events of today enable us to penetrate the subject, we see the difference between the old and the progressive kinds of thinking. The belief of the reactionaries is that government should not function more widely than it did in the past, but they seem to forget that the fundamental of our plan is equal rights for all and special privileges for none. Modern life has developed new problems. Civilization continues to build along the same basic lines, and altruistic as we may all be disposed to be, the fact remains that except for the exchange of products between individuals, commercial units and nations, our development would be slow. All of this growth goes on under the protection of and with the encouragement of government.

The least, therefore, that might be rendered unto government for this continuous service is a policy of fair-dealing. Too often the genius of man prompts him to play for governmental advantage, and the success which has been achieved in this particular has led to the formation of groups which seek this very advantage. We are a busy people, preoccupied in too large degree with purely commercial considerations, and we have not recognized as we should that the failure of government to prevent inequalities has made it possible for mischievous spirits to develop prejudice against the institutions of government, rather than against administrative policy.

Tribe of Profiteers Augmented

There is a very important difference here. This difference bears directly on profiteering, which is today the most sinister influence in American life. It is not a new thing in America. The tribe of profiteers has simply multiplied under the favoring circumstances of war. For years large contributions have been made to the Republican campaign fund for no purpose except to buy a governmental underhold, and to make illegal profits as the result of preference. Such largesses are today a greater menace to our contentment and our institutions than the countless temporary profiteers who are making a mockery of honest business, but who can live and fatten only in time of disturbed prices. If I am called to service as President means will be found, if they do not already exist, for compelling these exceptions to the great mass of square dealing American business men, to use the same yardstick of honesty that governs most of us in our dealings with our fellow men, or in language that they may understand, to suffer the penalty of criminal law.

There is another reason for the fabulous contributions to the present Republican campaign fund. Much money, of course, has been subscribed in proper partisan zeal, but the great bulk has been given with the definite idea of gaining service in return. Many captains of industry, guided by a most dangerous industrial philosophy, believe that in controversy between employer and employe their will should be enforced, even at the point of the bayonet.

I speak knowingly. I have passed through many serious industrial troubles. I know something of their psychology, the stages through which they pass, and the dangerous attempts that are sometimes made to end them. Disputes between labor and capital are inevitable. The disposition to gain the best bargain possible characterizes the whole field of exchange, whether it be product for product, or labor for money. If strikes are prolonged public opinion always settles them. Public opinion should determine results in America. Public opinion is the most interesting characteristic of a democracy, and it is the real safety valve to the institutions of a free government. It may, at times, be necessary for government to inquire into the facts of a tie-up, but facts and not conclusions should be submitted. The determining form of unprejudiced thought will do the rest. During this process governmental agencies must give a vigilant eye to the protection of life and property, and maintain firmness, but absolute impartiality. This is always the real test, but if official conduct combines courage and fairness, our governmental institutions come out of these affairs untarnished by distrust.

Aliens Fomenting Unrest

This is not an academic observation. It is the mere recital of experience. Unrest has been reenforced in no small degree by the great mass of unassimilated aliens. Attracted by an unprecedented demand for labor, they have come to our shores by the thousands. As they have become acquainted with the customs and opportunities of American life thousands of them have become citizens and are owners of their own homes. However, the work of assimilation too long was merely automatic. One million six hundred thousand foreign born in this country cannot read or write our language. Our interest in them in the main has been simply as laborers, assembled in the great trade centers to meet the demand of the hour. Without home or community ties, many have been more or less nomadic, creating the problem of excessive turnover, which has perplexed manufacturing plants.

But this has not been the worst phase of the situation. Unfamiliar with law, having no understanding of the principles of our government, they have fallen an easy prey to unpatriotic and designing persons. Public opinion has had no influence upon them, because they have been isolated from the currents of opinion, all due to their not being able to read or write our language. It is the duty of the federal government to stimulate the work of Americanization on the part of church, school, community agencies, state governments and industry itself.

In the past many industries that have suffered from chronic restlessness have been the chief contributors to their own troubles. The foreigner with European standards of living was welcomed, but too often no attempt was made to educate him to domestic ideals, for the simple reason that it adversely affected the ledger. It has been my observation that the man who learns our language yields to a controlling public opinion and respects our laws; besides, in proportion as his devotion to American life develops, his interest in the impulsive processes of revolution diminishes.

Need for Drastic Legislation Past

We must be patient in the work of assimilation and studiously avoid oppressive measures in the face of mere evidence of misunderstanding. We have a composite nation. The Almighty doubtless intended it to be such. We will not, however, develop patriotism unless we demonstrate the difference between despotism and democracy. The necessity for the drastic laws of war days is not present now, and we should return at the earliest opportunity to the statutory provisions passed in time of peace for the general welfare.

There is no condition now that warrants any infringement on the right of free speech and assembly nor on the liberty of the press. The greatest measure of individual freedom consistent with the safety of our institutions should be given. Excessive regulation causes manifestations that compel restraint. The police power, therefore, is called to action because the legislative authority acted unwisely.

A forbearing policy is not the proper one for the deliberate enemy of our institutions. He is of the kind that knows conditions abroad and here. The difference between autocracy and democracy is well marked in his mind. He is opposed to government in any form, and he hates ours because it appeals to those whom he would convert to his creed. Any policy of terrorism is fuel to his flame of anarchy. Those whom he seeks to arouse, in time, realize the difference between his and their mental attitude, so that when the law lays hand upon his willful menace to government, the purpose of it becomes plain to them.

Contempt of Law Harmful

Official contempt for the law is a harmful exhibition to our people. It is difficult to follow the reasoning of any one who would seek to make an issue of the question of law-enforcement. The executive obligation, both national and state, on assuming the oath of office is to "preserve, protect and defend the constitution of the United States." The constitution, in its essence, is the license and limitation given to and placed upon the law-making body. The legislative branch of government is subjected to the rule of the majority. The public official who fails to enforce the law, is an enemy both to the constitution and to the American principle of majority rule. It would seem quite unnecessary for any candidate for the presidency to say that he does not intend to violate his oath of office. Any one who is false to that oath is more unworthy than the law violator himself.

Morals can not easily be produced by statute. The writ of injunction should not be abused. Intended as a safeguard to person and property, it could easily by abuse cease to be the protective device it was intended to be.

Capital develops into large units without violence to public sentiment or injury to public interest; the same principle should not be denied to labor. Collective bargaining through the means of representatives selected by the employer and employe respectively, will be helpful, rather than harmful to the general interest. Besides, there is no ethical objection that can be raised to it. We should not, by law, abridge a man's right either to labor or to quit his employment. However, neither labor nor capital should at any time or in any circumstances, take action that would put in jeopardy the public welfare.

We need a definite and precise statement of policy as to what business man and workingmen may do and may not do by way of combination and collective action. The law is now so nebulous that it almost turns upon the economic predilections of the judge or jury. This does not make for confidence in the courts nor respect for the laws, nor for a healthy activity in production and distribution. There surely will be found way by which co-operation may be encouraged without the destruction of enterprise. The rules of business should be made more certain, so that on a stable basis men may move with confidence.

Government, however, should provide the means in the treatment of its employes, to keep in touch with conditions and to rectify wrong. It is needless to say that in order to be consistent, facts should at all times justify the presupposition that the government employes are properly compensated.

The child life of the nation should be conserved; if labor in immature years is permitted by one generation, it is practicing unfairness to the next.

Agriculture Basis of All Industry

Agriculture is but another form of industry. In fact, it is the basis of industry because upon it depends the food supply. The drift from country-side into the city carries disquieting portents. If our growth in manufacturing in the next few years holds its present momentum, it will be necessary for America to import foodstuffs. It therefore devolves upon government, through intensive scientific co-operation, to help in maintaining as nearly as possible the existing balance between food production and consumption.

Farming will not inspire individual effort unless profits, all things considered, are equal to those in other activities. An additional check to depleted ranks in the fields would be the establishment of modern state rural school codes. The federal government should maintain active sponsorship of this. Rural parents would be lacking in the element which makes civilization enduring if they did not desire for their children educational opportunities comparable to those in the cities. The price the consumer pays for foodstuffs is no indication of what the producer receives. There are too many turnovers between the two.

Society and government, particularly local and state, have been remiss in not modernizing local marketing facilities. Municipalities must in large measure interest themselves in, if not directly control, community markets. This is a matter of such importance that the federal government can profitably expend money and effort in helping to evolve methods and to show their virtues. The farmer raises his crop and the price which he receives is determined by supply and demand. His products in beef and pork and produce pass into cold storage and ordinarily when they reach the consumer the law of supply and demand does not obtain. The preservation of foodstuffs by cold storage is a boon to humanity, and it should be encouraged. However, the time has come for its vigilant regulation and inasmuch as it becomes a part of interstate commerce, the responsibility is with the federal government.

Supplies are gathered in from the farm in times of plenty. They can easily be fed out to the consumer in such manner as to keep the demand in excess of that part of the supply which is released from storage. This is an unfair practice and should be stopped. Besides, there should be a time limit beyond which perishable foodstuffs should not be stored. Every successful modern business enterprise has its purchasing, producing and selling departments. The farmer has maintained only one, the producing department.

It is not only fair that he be enabled both to purchase and to sell advantageously, but it is absolutely necessary, because he has become a competitor with the manufacturer for labor. He has been unable to compete in the past and his help in consequence has been insufficient. Therefore the right of co-operative purchasing and selling in the modern view should be removed from all question.

Agricultural thought has not been sufficiently represented in affairs of government. Many of the branches of the government which deal remotely or directly with the soil and its problems and its possibilities would be more valuable to the general welfare if the practical experience of the farmer were an element in their administration. To be specific, the Interstate Commerce Commission, the Federal Reserve Board, the Federal Trade Commission and the United States Tariff Commission are administered by business men. Does any one contribute more to the making and success of railroads than the farmer or to the creation and prosperity of the banks or to the stability of manufacturing and trade units, or to the agencies interested in exporting?

Decrease in Tenantry Vital

Our objective should be a decreased tenantry. With the period of occupancy uncertain, the renter strips land of its fertile elements and each year diminishes our national assets. Under the operation of the Federal Reserve and the farm loan acts encouragement has come to thousands who find that industry, character and intelligence are a golden security to the people's banker, the government of the United States. Multiply our home owners and you will make the way of the seditious agitator more difficult. Bring into the picture of American life more families, happily a part of garden and flowers all their own, and you will find new streams running into the national current of patriotism. Help to equalize the burdens of taxation by making the holders of hidden wealth pay their share with those whose property is in sight. In short, remove the penalty imposed upon home-building thrift, and thousands of contented households, under the shelter of their own roof, will look upon government with affection, recognizing that in protecting it they protect themselves. There are more home owners in America than ever before. The prosperity of the country under Democratic rule has been widely diffused. Never before has the great mass of the people shared in the blessings of plenty. There is much to be done, however, in multiplying our home owners. Nothing will bring more golden return to the welfare of the republic.

Common prudence would suggest that we increase to our utmost our area of tillable land. The race between increased consumption and added acreage has been an unequal one. Modern methods of soil treatment have been helpful, but they have their limitations. There are still vast empires in extent in our country performing no service to humanity. They require only the applied genius of men to cover them with the bloom and harvest of human necessities. The government should turn its best engineering talent to the task of irrigation projects. Every dollar spent will yield compensating results.

Any discussion of the question of food supply leads very quickly to the closely related matter of transportation. There is no one thing which brings us so intermittently to critical conditions as the insufficiency of our transportaton facilities. Both the railroads and the public are to blame. There has been no material addition to the total mileage in the last ten years, and the increase in terminals has been much less than required.

At the beginning of the war the rolling stock was sadly reduced and inadequate. The public had not given in pay for service sufficient revenues on which credit could be allowed by the banks. Moral assistance was withheld because of railroad policies that did not bring approval. Many of these corporations had made themselves a part of political activities, local, state and national. Then there were more or less sporadic instances of stock-watering operations, and the exploitation of utility properties for personal gain.

Abuses were not general, but they were sufficient to bring the entire railroad systems of the country in disrepute. The good suffered with the evil. When the transportation lines were taken over by the government they were barely able to limp through the task of the day. Unity in operation and the merging of every mile of track and terminal and every car and engine into a co-ordinated plan of operation enabled the government to transport troops and supplies, at the same time affording, under great stress, a satisfactory outlet for our industries.

It should be remembered in this connection that except for the motortruck which supplemented transportation by rail and except for the great pipe lines which conveyed oil for commercial purposes, we should not, in all probability, have been able to throw our deciding strength into the balance and win the war. Any attempt to discredit the federal operation of railroads during the years of grave emergency is unfair. In the case of those who know the facts it is insincere. Too much cannot be said in praise of those who directed this work, nor of the men who physically operated the lines under the discouraging conditions of poor equipment.

Railroad Problem Still Exists

But all of this is water over the wheel. The problem of the railroads is still with us. The government and the public should render every co-operation in the utmost good faith to give thorough test to private ownership. The railroads have had their lesson. Government regulation is accepted now as not only a safeguard to the public but as a conserving process to the utility. Financial credit is necessary to physical rehabilitation and it should be sufficient for the periods of maximum demand.

We should not lose sight, however, of the vast possibilities of supplementary service by water. The Great Lakes and St. Lawrence navigation project, particularly, should claim the interest of the government. About one-third of our states would be supplied with an outlet for every ton of their exports. The opportunity to make of the lake harbors great ocean ports of entry is inspiring to contemplate.

In the crop-moving period, the call on the railroads is staggering. Grain piles up in the elevators. With stagnation more or less general, the farmer sells his product under the most unfavorable conditions. The trackage and the terminals in middle states particularly are clogged with this traffic, and interference with local movements of freight is inevitable. The solution would be simplified by utilizing the waterways. Aside from this, the accruing gain from every crop would be a consideration, for the reason that the price of grain in this country is made by the Chicago market and it is determined by the London quotations. The price in the British metropolis is a stated figure less the cost of transportation. The routing of these commodities by water would effect a saving of approximately eight cents a bushel, which means that American grain would net just that much more.

Currency Reform

For more than forty years before Woodrow Wilson was elected President in 1912, a reform of our banking and currency system had been almost universally demanded and had been year after year deferred or refused by the stand-pat element of the Republican party in obedience to orders. The control of money and interest rates had long been held by favored groups who were thus able to dominate markets, regulate prices, favor friends, destroy rivals, precipitate and end panics and in short, through their financial, social and political outposts, be the real rulers of America.

The Federal Reserve act was originated, advocated and made a law by a Democratic President and Congress, against the bitter protests of the Republican stand-patters, who almost without exception voted against it. Among these men are the familiar names of Senators Lodge, Penrose and Smoot, the inside Senate cabal responsible for the existing status in the leadership of their party.

The Federal Reserve act is admitted to be the most constructive monetary legislation in history. At a stroke it transferred the power over money and credit and all they represent from one financial district out into the keeping of the people themselves, and instead of one center to which all paid tribute, there are twelve citadels of financial freedom where every citizen has an equal right and where the principle that the credit of American business shall be free is the basis of administration. Every citizen should be alert to guard this great institution which is his guarantee of credit independence. It should be kept from the hands of those who have never been its friends, and who by changes in a few obscure phrases could translate it into a greater power for evil than it ever has been for good.

Federal Reserve System Commended

It is almost unnecessary to speak of the Federal Reserve system in connection with the winning of the war, as next to the consecration of our manhood and womanhood itself the greatest factor was the marshaling into one unit through the Federal Reserve banks of the stupendous wealth of America. To those of vision who look out beyond our shores into that commercial domain where we are so justly entitled to enter in a time of peace, latent power of the Federal Reserve system can be seen promoting in every quarter of the globe an ever-widening flow of American commerce.

We will soon have a merchant marine fleet of 11,000,000 tons aggregate, every ship flying the American flag and carrying in American bottoms the products of mill and mine and factory and farm. This would seem to be a guarantee of continued prosperity. Our facilities for exchange and credit, however, in foreign parts, should be enlarged and, under the Federal Reserve system, banks should be established in important trading centers.

I am impressed also with the importance of improving, if not reorganizing, our consular service. The certain increase in foreign trade would seem to demand it. This suggests another change. Our ambassadors to foreign countries have had assigned to them a military and a naval attache. The staff should be enlarged so as to include an officer of the government whose exclusive duty would be to make observation and report development and improvement in educational and social problems generally.

Government bureaus during the war had close contact with the business organization of the country. That experience revealed the modern need of reorganization along purely business lines. The advantages of a democracy in government need not be recounted. It has been held by experts that it involves the disadvantage of disbursements, authorized by the lawmaking power without sufficient knowledge of the need of the service, or the possibilities of extravagance.

Budget System Demanded

The answer to this is the budget system. No successful business enterprise of any size can operate without it. For a hundred years the federal unit, and the states as well, made appropriations without determining the difference between departmental need and caprice, at the same time paying little attention to the relation as between income and expense.

Many of the states have adopted a budget system, and with a success that carries no exception. Efficiency has been improved—departmental responsibility has been centered, and economies have been effected. The same can be done by the federal government. The system will reveal at once, as it did in the states, a vast surplusage of employes. It awakens individual interest, encourages greater effort and gives opportunity for talent to assert itself. The normal course of least resistance develops in government bureaus a hardpan which retards progress. When the reorganization is made, pay should be commensurate with service. Many federal departments where ramifications touch the country generally have lost valuable men to business. This has badly crippled postoffices, the railway mail service and other branches.

I am convinced after considerable study of the subject that the expense of the government can, without loss of ef-

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POINTS STRESSED BY GOVERNOR COX IN SPEECH OF ACCEPTANCE

LEAGUE-OF-NATIONS COVENANT declared the "supreme issue of the century" and its ratification pledged, with such interpretations as shall make the good faith of America manifest to its allies and as a precaution against future misunderstandings.

Ratification of the constitutional amendment providing for woman suffrage urged.

Charge made that the Republican campaign managers have gathered a fund amounting to millions of dollars for the perpetuation of the "reactionary cause," and demand formulated for a strict accounting for all contributions and disbursements.

"Senatorial Oligarchy," composed of Senators Lodge, Penrose and Smoot, accused of selecting Senator Harding to lead the Republicans and of incorporating into the party platform a creed of bitterness and hate, "and the vacillating policy that possesses it."

Heavy and immediate reduction in federal taxation pledged. Establishment of a budget system, which would reduce the expense of conducting the government, including interest and sinking fund provisions, to $4,000,000,000 annually demanded.

Small tax, probably 1½ per cent, on the total business of every going concern recommended in lieu of excess profits tax. Sharp modification of income levies on wages of salaried and professional and small business men advocated.

Federal reserve act commended as the greatest factor in America's efforts to win the war, next to the personal sacrifice of the people.

Extension of the nation's educational facilities, the Americanization of aliens and the conservation of childhood emphasized.

Repeal of war laws, restricting the freedom of speech and assembly and the liberty of the press advocated.

Adequate pay of government employes, short shrift for anarchists and labor agitators and development of waterway transportation urged.

Financial credit of railroads favored. Discrediting of government operation of roads called unfair.

Profiteering denounced and punishment for profiteers demanded. Fair returns for capital and labor advocated.

Development of agriculture, as the basis of all other industries, held a national duty.

$2,000,000,000 ANNUAL SAVING SEEN IF BUDGET SYSTEM IS ADOPTED

Nominee Convinced Yearly Expense of Government, Including Interest and Sinking Fund Provisions, Can Be Reduced to $4,000,000,000

ENFORCEMENT OF LAW PLEDGED; SPECIFIC MENTION OF PROHIBITION ISSUE OMITTED