

MESSAGE SENT TO CONGRESS

President's Recommendations on National Legislation.

AS TO CURRENCY QUESTION

Many Defects of Present System Are Pointed Out by Chief Executive.

NOT TIME FOR TARIFF

Postponement of Discussion of Revision of Schedules Until After Presidential Election Urged—Necessity for Improving Waterways of the Country.

Washington, Dec. 3.—President Roosevelt in his annual message deals vigorously with matters of national importance. Referring to the recent disturbance in financial circles he points out that the hoarding of money by the people, instead of keeping it in sound banks, was the first cause of financial stringency and a grave error. He pays a tribute to the general honesty of the men engaged in the banking business.

After quotations from his last annual message which dealt with the necessity of governmental regulations, the president asserts that his views have in no way changed and declares it is the duty of the national government to embody in action the principles he then expressed.

Disclaiming any idea of advocating centralization the president insists upon the necessity for federal control of the railroads of the country through the interstate commerce commission, and also urges legislation looking to the proper control of the great business concerns engaged in interstate business, this control to be exercised for their own benefit and property no less than for the protection of investors and of the general public.

Wants Federal Control.

Declaring that modern industrial conditions are such that combination is not only necessary but inevitable, the president refers to his message of a year ago concerning necessary changes in the antitrust laws. He goes on: "I ask for full power to be given the federal government, because no single state can by legislation effectually cope with these powerful corporations engaged in interstate commerce, and while doing them full justice, exact from them in return full justice to others. The conditions of railroad activity, the conditions of our immense interstate commerce, are such as to make the central government alone competent to exercise full supervision and control."

"The antitrust law should be made both more efficient and more in harmony with actual conditions. It should be so amended as to forbid only the kind of combination which does harm to the general public, such amendment to be accompanied by, or to be an incident of, a grant of supervisory power to the government over these big corporations engaged in interstate business. This should be accompanied by provision for the compulsory publication of accounts and the submission of books and papers to the inspection of the government officials. A beginning has already been made for such supervision by the establishment of the bureau of corporations."

"Among the points to be aimed at should be the prohibition of unhealthy competition, such as by rendering service at an actual loss for the purpose of crushing out competition, the prevention of inflation of capital, and the prohibition of a corporation's making exclusive trade with itself. Reasonable agreements between, or combinations of, corporations should be permitted, provided they are first submitted to and approved by some appropriate government body."

Like National Bank Supervision.

"The congress has the power to charter corporations to engage in interstate and foreign commerce, and a general law can be enacted under the provisions of which existing corporations could take out federal charters and new federal corporations could be created. An essential provision of such a law should be a method of predetermining by some federal board or commission whether the applicant for a federal charter was an association or combination within the restrictions of the federal law. The supervision established might be analogous to that now exercised over national banks. At least, the antitrust act should be supplemented by specific prohibitions of the methods which experience has shown have been of most service in enabling monopolistic combinations to crush out competition. The real owners of a corporation should be compelled to do business in their own name. The right to hold stock in other corporations should hereafter be denied to interstate corporations, unless on approval by the proper government officials, and a prerequisite to such approval should be the listing with the government of all owners and stockholders, both by the corporation owning such stock and by the corporation in which such stock is owned."

After calling attention to the benefits which the legislation he urges would confer upon the country, the president says: "Those who fear, from any reason, the extension of federal activity will do well to study the history not only of the national banking act, but of the pure food law, and notably the meat inspection law recently enacted. The benefit to interstate common carriers and business concerns from the legislation I advocate would be equally marked."

The Currency Question.

On the question of the currency the president calls attention to his last annual message wherein he pointed out that our present system is defective and showing the need of a change. In that message he said:

"National banks should be permitted to issue a specified proportion of their cap-

ital in notes of a given kind, the issue to be taxed at so high a rate as to drive the notes back when not wanted in legitimate trade. This plan would not permit the issue of currency to give banks additional profits, but to meet the emergency presented by times of stringency. I do not say that this is the right system. I only advance it to emphasize my belief that there is need for the adoption of some system which shall be automatic and open to all sound banks, so as to avoid all possibility of discrimination and favoritism. Such a plan would tend to prevent the spasms of high money and speculation which now obtain in the New York market; for at present there is too much currency at certain seasons of the year, and its accumulation at New York tempts bankers to lend it at low rates for speculative purposes; whereas at other times when the crops are being moved there is urgent need for a large but temporary increase in the currency supply. It must never be forgotten that this question concerns business men generally quite as much as bankers; especially is this true of stockmen, farmers and business men in the west; for at present at certain seasons of the year the difference in interest rates between the east and west is from six to ten per cent., whereas in Canada the corresponding difference is but two per cent. Any plan must, of course, guard the interests of western and southern bankers as carefully as it guards the interests of New York or Chicago bankers, and must be drawn from the standpoints of the farmer and the merchant no less than from the standpoints of the city banker and the country banker."

Repeats Recommendations.

The president continues: "I again urge on the congress the need of immediate attention to this matter. We need a greater elasticity in our currency; provided, of course, that we recognize the even greater need of a safe and secure currency. There must always be the most rigid examination by the national authorities. Provision should be made for an emergency currency. The emergency issue should, of course, be made with an effective guaranty, and upon conditions carefully prescribed by the government. Such emergency issue must be based on adequate securities approved by the government, and must be issued under a heavy tax. This would permit currency being issued when the demand for it was urgent, while securing its retirement as the demand fell off. It is worth investigating to determine whether officers and directors of national banks should ever be allowed to loan to themselves. Trust companies should be subject to the same supervision as banks; legislation to this effect should be enacted for the District of Columbia and the territories."

Not Time for Tariff Discussion.

On the subject of the tariff the president declares himself in favor of postponing all consideration of the question until after the presidential election. He says:

"The income account of the nation is in a most satisfactory condition. For the six fiscal years ending with the first of July last, the total expenditures and revenues of the national government, exclusive of the postal revenues and expenditures, were in round numbers, revenues, \$3,465,000,000, and expenditures, \$3,275,000. The net excess of income over expenditures, including in the latter the fifty millions expended for the Panama canal, was \$190,000,000 for the six years, an average of about \$31,000,000 a year. This represents an approximation between income and outgo which it would be hard to improve. The satisfactory working of the present tariff law has been chiefly responsible for this excellent showing. Nevertheless, there is an evident and constantly growing feeling among our people that the time is rapidly approaching when our system of revenue legislation must be revised."

"This country is definitely committed to the protective system and any effort to uproot it could not but cause widespread industrial disaster. In other words, the principle of the present tariff law could not with wisdom be changed. But in a country of such phenomenal growth as ours it is probably well that every dozen years or so the tariff laws should be carefully scrutinized so as to see that no excessive or improper benefits are conferred thereby, that proper revenue, is provided, and that our foreign trade is encouraged. There must always be as a minimum a tariff which will not only allow for the collection of an ample revenue but which will at least make good the difference in cost of production here and abroad; that is, the difference in the labor cost here and abroad, for the well-being of the wage-worker must ever be a cardinal point of American policy. The sole consideration should be to see that the sum total of changes represent the public good. This means that the subject can not with wisdom be dealt with in the year preceding a presidential election, because as a matter of fact experience has conclusively shown that at such a time it is impossible to get men to treat it from the standpoint of the public good. In my judgment the wise time to deal with the matter is immediately after such election."

Income and Inheritance Tax.

There has been no change in the mind of the president concerning the advisability of an income tax and an inheritance tax. In the message he says:

"When our tax laws are revised the question of an income tax and an inheritance tax should receive the careful attention of our legislators. In my judgment both of these taxes should be part of our system of federal taxation. I speak diffidently about the income tax because one scheme for an income tax was declared unconstitutional by the supreme court; while in addition it is a difficult tax to administer in its practical working. Nevertheless, a graduated income tax of the proper type would be a desirable feature of federal taxation, and it is to be hoped that one may be devised which the supreme court will declare constitutional. The inheritance tax, however, is both a far better method of taxation, and far more important for the purpose of having the fortunes of the country bear in proportion to their increase in size a corresponding increase and burden of taxation. The government has the absolute right to decide as to the terms upon which a man shall receive the bequest or devise from another, and this point in the devolution of property is especially appropriate for the imposition of a tax."

Due Enforcement of Law.

On the matter of the impartial en-

forcement of the laws the message says:

"A few years ago there was loud complaint that the law could not be invoked against wealthy offenders. There is no such complaint now. The course of the department of justice during the last few years has been such as to make it evident that no man stands above the law, that no corporation is so wealthy that it cannot be held to account. Everything that can be done under the existing law, and with the existing state of public opinion, which so profoundly influences both the courts and juries, has been done. But the laws themselves need strengthening in more than one important point; they should be made more definite, so that no honest man can be led unwittingly to break them, and so that the real wrongdoer can be readily punished. "The two great evils in the execution of our criminal laws to-day are sentimentality and technicality. For the latter the remedy must come from the hands of the legislatures, the courts and the lawyers. The other must depend for its cure upon the gradual growth of a sound public opinion which shall insist that regard for the law and the demands of reason shall control all other influences and emotions in the jury box. Both of these evils must be removed or public discontent with the criminal law will continue."

Use of Injunctions.

Referring to the question of the use and abuse of injunctions the president declares:

"Instances of abuse in the granting of injunctions in labor disputes continue to occur, and the resentment in the minds of those who feel that their rights are being invaded and their liberty of action and of speech unwarrantably restrained continues to grow. Much of the attack on the use of the process of injunction is wholly without warrant; but I am constrained to express the belief that for some of it there is warrant. This question is becoming more and more of prime importance, and unless the courts will themselves deal with it in effective manner, it is certain ultimately to demand some sort of legislative action. I earnestly commend to the attention of the congress this matter, so that some way may be devised which will limit the abuse of injunctions and protect those rights which from time to time it unwarrantably invades."

Among the recommendations made in the message are for federal inspection of railroads, the establishment of an employers' liability act, and for the extension of the present eight-hour law by the government.

In Industrial Disputes.

The president favors compulsory investigation by the national government of industrial disputes, saying:

"Strikes and lockouts, with their attendant loss and suffering, continue to increase. For the five years ending December 31, 1905, the number of strikes was greater than those in any previous ten years and was double the number in the preceding five years. These figures indicate the increasing need of providing some machinery to deal with this class of disturbances in the interest alike of the employer, the employe and the general public. I renew my previous recommendation that the congress favorably consider the matter of creating the machinery for compulsory investigation of such industrial controversies as are of sufficient magnitude and of sufficient concern to the people of the country as a whole to warrant the federal government in taking action."

The recent strike of the telegraphers is cited as an instance where such power might profitably have been used.

Child Labor Evil.

The necessity of checking the evil of child labor is pointed out with much force. On the relation between capital and labor the president asserts that public opinion must be aroused in condemnation of evil practices on both sides. The work of the department of agriculture is given high praise and the importance of the department pointed out. Cooperation with farmers' associations is urged. The necessity of a national system of inspection and grading of grain, to correct evils complained of, is also pointed out.

National Water Highways.

Showing the necessity for the development of the national water highways the message says: "Our great river systems should be developed as national water highways; the Mississippi, with its tributaries, standing first in importance, and the Columbia second, although there are many others of importance on the Pacific, the Atlantic and the gulf slopes. The national government should undertake this work, and I hope a beginning will be made in the present congress; and the greatest of all our rivers, the Mississippi, should receive special attention. From the great lakes to the mouth of the Mississippi there should be a deep waterway, with deep waterways leading from it to the east and west. Such a waterway would practically mean the extension of our coast line into the very heart of our country. It would be of incalculable benefit to our people."

"As an incident to creating the deep waterway down the Mississippi, the government should build along its whole lower length levees which, taken together with the control of the headwaters, will at once and forever put a complete stop to all threat of floods in the immensely fertile delta region. The territory lying adjacent to the Mississippi along its lower course will thereby become one of the most prosperous and populous, as it already is one of the most fertile, farming regions in all the world."

"I have appointed an inland waterways commission to study and outline a comprehensive system of development along all the lines indicated. Later I shall lay its report before the congress."

Public Lands.

Extension of the work of irrigation and the reclamation of waste lands is advocated, together with a revision of the present land laws in the interest of the actual home-maker. The unlawful fencing of public lands for private grazing, the president says, must be stopped, but at the same time the necessity which occasioned it must be provided for. Several plans are recommended.

Conservation of the mineral wealth of the country, and the necessity for the preservation of the forests to prevent a timber famine, are dwelt upon. Drastic action by the congress is urged.

Would Repeal Duty on Wood Pulp.

The president declares in favor of the repeal of the duty on wood pulp, at the same time declaring that it should if possible be accompanied by an agreement with Canada that there should be no export duty on Canadian pulp wood.

That the government should own and lease mineral and oil lands is the belief of the president.

Work on the Panama canal is declared to be proceeding in a satisfactory man-

ner, and figures given to substantiate the statement.

For Postal Savings Banks.

On the questions of postal savings banks and the establishment of a parcel post system the message says:

"I commend to the favorable consideration of the congress a postal savings bank system as recommended by the postmaster general."

"I further commend to the congress the consideration of the postmaster general's recommendation for an extension of the parcel post, especially on the rural routes. These recommendations have been drawn up to benefit the farmer and the country storekeeper; otherwise I should not favor them, for I believe that it is good policy for our government to do everything possible to aid the small town and the country district. It is desirable that the country merchant should not be crushed out."

Some form of local self-government for Alaska is asked of the congress, and that the rights of citizenship be conferred upon the people of Porto Rico.

Campaign Contributions.

The president says: "It is well to provide that corporations shall not contribute to presidential or national campaigns, and furthermore to provide for the publication of both contributions and expenditures. The need for collecting large campaign funds would vanish if congress provided an appropriation for the proper and legitimate expenses of each of the great national parties, an appropriation ample enough to meet the necessity for thorough organization and machinery, which requires a large expenditure of money. Then the stipulation should be made that no party receiving campaign funds from the treasury should accept more than a fixed amount from any individual subscriber or donor; and the necessary publicity for receipts and expenditures could without difficulty be provided."

The extension of the Ocean Mail act of 1891 is recommended as an aid to American shipping. A subsidy for Pacific steamers, the president thinks, is necessary.

That the army in the past has been niggardly provided for and should be more generously dealt with is dwelt upon at length, together with recommendations for future legislation.

Yearly additions to the navy are recommended and in the president's judgment the country should build four battleships this year.

Reason for Pacific Cruise.

Concerning the dispatch of the fleet to the Pacific, the president believes it should be shifted between the two oceans every year or two as a means of teaching officers and men how to handle the vessels in a time of war.

Although the results of The Hague conference are declared not to have been up to expectations, a degree of good is said to have resulted, notably a provision by which the powers taking part in the conference agreed not to have recourse to armed force for the collection of debts owed to their citizens by foreign countries.

The expectation of the government is declared to be to turn over Cuba to a government chosen by the people of the island within the coming year.

German Tariff Agreement.

Concerning the tariff agreement entered into with Germany, its object is declared to have been the prevention of a tariff war between the United States and that country. The work of the commission which made the agreement is praised.

The president asks for authority to remit to China all indemnity in excess of the sum of \$11,655,492.89 and interest at four per cent.

In conclusion the message congratulates the country on its present cordial relations with all countries, particularly the sister republics to the south.

HAD HER PLANS WELL LAID.

William Was Not Likely to Take Vira Away in a Hurry.

Vira, the Moroses' sable cook, announced to her mistress that she intended to be married the next week, says the Youth's Companion. Mrs. Morse was filled with regret. "O Vira," she cried, "I was afraid William would persuade you at last! You said you'd never leave us."

"Why, I isn't gwine to leave you, honey," and Vira patted the shoulder of her young mistress in a comforting way. "I's jes' natchelly marrying dat William now to keep him from pestering me. He's been roun' too much lately, an' yet if I cas' him off, he'll get into mixtrious comp'ny. I's marrying dat boy to save him."

"Yes," said Mrs. Morse, somewhat reassured by Vira's tone, but slightly bewildered, nevertheless, "I know it will be a fine thing for him, Vira, but won't he want to take you away?"

"Whar he get de money?" inquired Vira, returning to her work of beating eggs with renewed vigor. "I's sated de money fo' his honeymoon trip, and I's got his plans all laid out fo' him. He's got a ticket out to California an' to bring my ole farder back east; an' den I's gwine send him down souf fo' my sister, an' den up in Canada fo' my brudder, an' when he gets da fam'ly all rounded up, an' has to suppo' 'em mostly, you 'nk he's gwine be in a hurry to hab me to suppo', honey?"

Left a Generous Will.

Signor Eugenio Padova's tradespeople will bless his memory. He was a rich Italian gentleman who lived for many years in Paris, and has just died, leaving an original but generous will. He bequeaths \$600 to be divided among all the barbers who ever shaved him at a hair-dresser's where he went regularly. Every waiter who served him in the restaurants in which he was accustomed to dine gets a legacy. He leaves money also to the clerks of the shops of which he was a regular customer, and to the servants of the club to which he belonged.

NEBRASKAN FREE

LIBERATED FROM MEXICAN PRISON AFTER TWENTY YEARS.

CASE ALMOST FORGOTTEN

Did Not Know What He Was There for, But Languished for a Score of Years—General News Items.

Washington authorities have been advised from Galveston, Texas, that James Kenzbury, a native of Nebraska, aged seventy-five, has been released from a Mexican prison at Guadaluajara, where he was confined for nearly twenty years. He had trouble with a Mexican of local influence in Jalisco about land matters. Alberto Sanchez assaulted him with a knife, and Kenzbury shot and killed him.

This was nearly twenty years ago, and, after languishing in prison for several months, the American, who had invested in large holdings, was given a trial and convicted of murder. He never knew what sentence was imposed, and was not allowed witnesses at the trial. About a year ago he communicated with relatives in Nebraska through a Mexican who had served a term in the same prison. They appealed to President Diaz, and it is said that the government authorities had difficulty in locating the records in Kenzbury's case. It is believed he was imprisoned and forgotten. He was a young man when he went to Mexico, and bought a ranch of 5,000 acres, and was making money when he killed the Mexican. His property was sold at public auction sixteen years ago.

CODY FIRE WAS DISASTROUS.

Seven of Largest Buildings in City Were Destroyed.

Cody, Wyo., again is the victim of fire, over seven of the largest buildings of that city being burned to the ground. A fire broke out in the city meat market, the belief being that it was purposely set afire. The fire spread and swept down the block, burning the entire row of frame buildings. The large Arnold building, the telephone office, skating rink, Campbell Drug company's store and five other large buildings were destroyed. The loss is at present estimated at \$50,000. A week previously Cody suffered from a \$12,000 fire, the blaze starting at about the same place in the block and burning in the other direction.

FIVE MILLIONS FOR BANKS.

Oklahoma Will Receive This Sum From Government.

Senator Owen of Oklahoma, who called at the white house, said he had been assured that Oklahoma would receive the \$5,000,000 due from the national government appropriated in lieu of school lands in the Indian Territory. This money, he said, would be deposited by the state in state banks without delay, thus relieving the financial situation in Oklahoma and the income to the state will be greater because of the higher rates of interest which will be paid by the state banks.

NUGGET IN A DUCK'S CRAW.

South Dakota Farmer Gets Christmas Present by Shot.

When L. N. Snow, a small rancher near Spearfish, S. D., took a chance shot at a wild duck flying overhead, he did not expect to get a Christmas present. His aim proved true and the bird fell. When dressed a large gold nugget fell from its craw. Snow is having the nugget made into a ring for his wife and some prospectors have started out to find the placer bed from which the duck picked up the yellow metal.

Big Companies Barred Out.

The San Francisco Examiner says that three of the largest insurance companies doing business on the coast have been denied authority to do further business in that state by Insurance Commissioner Wolfe. It is alleged these companies transferred from the state courts to the federal court suits for losses sustained in the great fire, in violation of the state law.

Boy Kills Sweetheart.

Melvin Powell, aged seventeen, shot and killed his sweetheart, Lillian Humphreys, aged sixteen, near Wilkinsville, Ky. Friends of Powell say that the pistol was accidentally discharged, but the sister of Miss Humphreys claims that the shooting was intentional. Powell has not been captured.