

iously achieved. Corruption is never so rife as in communities where the demagogue and the agitator bear full sway, because in such communities all moral bands become loosened, and hysteria and sensationalism replace the spirit of sound judgment and fair dealing as between man and man. In sheer revolt against the squalid anarchy thus produced men are sure in the end to turn toward any leader who can restore order, and then their relief at being free from the intolerable burdens of class hatred, violence, and demagoguery is such that they can not for sometime be aroused to indignation against misdeeds by men of wealth; so that they permit a new growth of the very abuses which were in part responsible for the original outbreak. The one hope for success for our people lies in a resolute and fearless, but sane and cool-headed, advance along the path marked out last year by this very congress. There must be a stern refusal to be misled into following either that base creature who appeals and panders to the lowest instincts and passions in order to arouse one set of Americans against their fellows, or that other creature, equally base but no baser, who in a spirit of greed, or to accumulate or add to an already huge fortune, seeks to exploit his fellow-Americans with callous disregard to their welfare of soul and body. The man who debauches others in order to obtain a high office stands on an evil equality of corruption with the man who debauches others for financial profit; and when hatred is sown the crop which springs up can only be evil.

"The plain people who think—the mechanics, farmers, merchants, workers with head or hand, the men to whom American traditions are dear, who love their country and try to act decently by their neighbors, owe it to themselves to remember that the most damaging blow that can be given popular government is to elect an unworthy and sinister agitator on a platform of violence and hypocrisy. Whenever such an issue is raised in this country nothing can be gained by flinching from it, for in such case democracy is itself on trial, popular self-government under republican forms is itself on trial. The triumph of the mob is just as evil a thing as the triumph of the plutocracy, and to have escaped one danger avails nothing whatever if we succumb to the other. In the end the honest man, whether rich or poor, who earns his own living, and tries to deal justly by his fellows, has as much to fear from the insincerity of the unworthy demagogue, promising much and performing nothing, or else performing nothing but evil, who would set on the mob to plunder the rich, as from the crafty corruptionist who for his own ends, would permit the common people to be exploited by the very wealthy. If we ever let this government fall into the hands of men of either of these two classes, we shall show ourselves false to America's past. Moreover, the demagogue and the corruptionist, often work hand in hand. There are at this moment wealthy reactionaries of such obtuse morality that they regard the public servant who prosecutes them when they violate the law, or who seeks to make them bear their proper share of the public burdens, as being more objectionable than the violent agitator who hounds on the mob to plunder the rich. There is nothing to choose between such a reactionary and such an agitator; fundamentally they are alike in their selfish disregard of the rights of others; and it is natural that they should join in opposition to any movement of which the aim is fearlessly to do exact and even justice to all."

The president urges congress to pass the bill limiting the number of hours of employment of railroad employes. He says that the eight hour day should be generally observed in the United States, but he takes the pains to explain that there are industries in which it is not possible to reduce the hours of labor and that in Panama, for instance, "the conditions are in every way so different from what they are here that an eight hour day would be absurd; just as it is absurd, so far as the isthmus is concerned, where white labor can not be employed, to bother as to whether the necessary work is done by alien black men or by alien yellow men."

He urges congress to provide for an investigation of child labor and of the labor of women in the United States.

He congratulates congress for having passed at the last session an employers' liability law but says that neither the federal law nor the state laws dealing with this question are sufficiently thoroughgoing, adding that "the entire trade risk should be placed upon the employer."

Referring to the question of arbitration the president says: "The commission appointed by

the president October 16, 1902, at the request of both the anthracite coal operators and miners to inquire into, consider, and pass upon the questions in controversy in connection with the strike in the anthracite regions of Pennsylvania and the causes out of which the controversy arose, in their report, findings, and award expressed the belief 'that the state and federal governments should provide the machinery for what may be called the compulsory investigation of controversies between employers and employes when they arise.' This expression of belief is deserving of the favorable consideration of the congress and the enactment of its provision into law. A bill has already been introduced to this end.

"Records show that during the twenty years from: January 1, 1881, to December 31, 1900, there were strikes affecting 117,509 establishments, and 6,105,694 employes were thrown out of employment. During the same period there were 1,005 lockouts, involving nearly 10,000 establishments, throwing over one million people out of employment. These strikes and lockouts involved an estimated loss to employes of \$307,000,000 and to employers of \$143,000,000, a total of \$450,000,000. The public suffered directly and indirectly probably as great additional loss. But the money loss, great as it was, did not measure the anguish and suffering endured by the wives and children of employes whose pay stopped, when their work stopped, or the disastrous effect of the strike or lockout upon the business of employers, or the increase in the cost of products and the inconvenience and loss to the public.

"Many of these strikes and lockouts would not have occurred had the parties to the dispute been required to appear before an unprejudiced body representing the nation and, face to face, state the reasons for their contention. In most instances the dispute would doubtless be found to be due to a misunderstanding by each of the other's rights, aggravated by an unwillingness of either party to accept as true the statements of the other as to the justice or injustice of the matters in dispute. The exercise of a judicial spirit by a disinterested body representing the federal government, such as would be provided by a commission on conciliation and arbitration would tend to create an atmosphere of friendliness and conciliation between contending parties; and the giving each side an equal opportunity to present fully its case in the presence of the other would prevent many disputes from developing into a series of strikes or lockouts, and, in other cases, would enable the commission to persuade the opposing parties to come to terms.

"In this age of great corporate and labor combinations, neither employers nor employes should be left completely at the mercy of the stronger party to a dispute, regardless of the righteousness of their respective claims. The proposed measure would be in the line of securing recognition of the fact that in many strikes the public has itself an interest which can not wisely be disregarded; an interest not merely of general convenience, for the question of a just and proper public policy must also be considered. In all legislation of this kind it is well to advance cautiously, testing each step by the actual results; the step proposed can surely be safely taken, for the decisions of the commission would not bind the parties in legal fashion, and yet would give a chance for public opinion to crystallize and thus to exert its full force for the right."

Referring to the withdrawal of coal lands the president says: "It is not wise that the nation should alienate its remaining coal lands. I have temporarily withdrawn from settlement all the lands which the geological survey has indicated as containing, or in all probability containing, coal. The question, however, can be properly settled only by legislation which, in my judgment, should provide for the withdrawal of these lands from sale or from entry, save in certain especial circumstances. The ownership would then remain in the United States, which should not, however, attempt to work them, but permit them to be worked by private individuals under a royalty system, the government keeping such control as to permit it to see that no excessive price was charged consumers. It would, of course, be as necessary to supervise the rates charged by the common carriers to transport the product as the rates charged by those who mine it; and the supervision must extend to the conduct of the common carriers, so that they shall in no way favor one competitor at the expense of another. The withdrawal of these coal lands would constitute a policy analogous to that which has been followed in withdrawing the forest lands from ordinary settlement. The coal, like the forests, should be treated as the property of the

public and its disposal should be under conditions which would inure to the benefit of the public as a whole."

Referring to corporations the president says: "The present congress has taken long strides in the direction of securing proper supervision and control by the national government over corporations engaged in interstate business, and the enormous majority of corporations of any size are engaged in interstate business. The passage of the railway bill, and only to a less degree the passage of the pure food bill, and the provision for increasing and rendering more effective national control over the beef-packing industry, mark an important advance in the proper direction. In the short session it will perhaps be difficult to do much further along this line; and it may be best to wait until the laws have been in operation for a number of months before endeavoring to increase their scope, because only operation will show with exactness their merits and their shortcomings and thus give opportunity to define what further remedial legislation is needed. Yet, in my judgment, it will in the end be advisable in connection with the packing house inspection law to provide for putting a date on the label and for charging the cost of inspection to the packers. All these laws have already justified their enactment. The interstate commerce law, for instance, has rather amusingly falsified the predictions, both of those who asserted that it would ruin the railroads and of those who asserted that it did not go far enough and would accomplish nothing. During the last five months the railroads have shown increased earnings and some of them unusual dividends; while during the same period the mere taking effect of the law has produced an unprecedented, a hitherto unheard of, number of voluntary reductions in freights and fare by the railroads. Since the founding of the commission there has never been a time of equal length in which anything like so many reduced tariffs have been put into effect. On August 27, for instance, two days before the new law went into effect, the commission received notices of over five thousand separate tariffs which represented reductions from previous rates.

"It must not be supposed, however, that with the passage of these laws it will be possible to stop progress along the line of increasing the power of the national government over the use of capital in interstate commerce. For example, there will ultimately be need of enlarging the powers of the interstate commerce commission along several different lines, so as to give it a larger and more efficient control over the railroads.

"It can not too often be repeated that experience has conclusively shown the impossibility of securing by the actions of half a hundred different state legislatures anything but ineffective chaos in the way of dealing with the great corporations which do not operate exclusively within the limits of any one state. In some method, whether by a national license law or in other fashion, we must exercise, and that at an early date, a far more complete control than at present over these great corporations—a control that will, among other things, prevent the evils of excessive overcapitalization, and that will compel the disclosure by each big corporation of its stockholders and of its properties and business, whether owned directly or through subsidiary or affiliated corporations. This will tend to put a stop to the securing of inordinate profits by favored individuals at the expense whether of the general public, the stockholders, or the wage-workers. Our effort should be not so much to prevent consolidation as such, but so to supervise and control it as to see that it results in no harm to the people. The reactionary or ultra-conservative apologists for the misuse of wealth assail the effort to secure such control as a step toward socialism. As a matter of fact it is these reactionaries and ultra-conservatives who are themselves most potent in increasing socialistic feeling. One of the most efficient methods of averting the consequences of a dangerous agitation, which is 80 per cent wrong, is to remedy the 20 per cent of evil as to which the agitation is well founded. The best way to avert the very undesirable move for the governmental ownership of railways is to secure by the government on behalf of the people as a whole such adequate control and regulation of the great interstate common carriers as will do away with the evils which give rise to the agitation against them. So the proper antidote to the dangerous and wicked agitation against the men of wealth as such is to secure by proper legislation and executive action the abolition of the grave abuses which actually do obtain in connection with the business use of wealth under our present system—or rather no