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President Still Strenuous In His Demand For Effective Legislation

History as well as contemporary opinion will commend President Roosevelt's latest message as one of the best public documents of his administration. It contains much that is enlightening, suggestive and even original and is, therefore, the work of a constructive statesman. From a general point of view its most notable feature is a breadth and saneness that reveals clearly Mr. Roosevelt's steady growth.

A few years ago the president was wont to exaggerate the merits of our captains of industry, but recent disclosures have modified his judgments of these highly important but frequently venal and corrupt citizens. The president is now fully aware of their weaknesses and faults and his saner view helps him to understand the economic and political evils from which the nation is suffering and to offer such recommendations as will in some measure correct these evils.

No one can now accuse the president of having surrendered his position on the railway question. He has accepted no compromise, and while his recommendations may seem in some respects less drastic than the crisis requires, he has evidently kept in mind the importance of securing a law that will stand the test of the constitution. He does not attempt to minimize the arguments of those who hold that government ownership is inevitable. He concedes that the arguments are strong and he admits that governmental regulation of the railways will not accomplish all that its most ardent advocates expect and desire. In this connection he says:

"It is because in my judgment the public ownership of railways is highly undesirable and would probably entail far-reaching disaster, that I wish to see such supervision and regulation of them in the interest of the public as will make it evident that there is no need of public ownership."

But while the president gives expression to this hope that railway regulation will be effective, there is a note of doubt and fear, a suggestion even of hopelessness, when he discusses the means of suppressing discrimination. He sees that the cunning of modern commercialism will be able to invent clever evasions of the law and of the orders of the interstate commerce commission. And yet the president has the hardihood to suggest that an effective way of suppressing the rebate is to compel a railway to publish as its maximum rate any preferential rate it may grant to a favored shipper, whether the rate be made by means of the simple rebate, by free passes or through the medium of private car lines, industrial railways, icing charges, etc.. He would have the interstate commerce commission invested with full power to check these abuses and he even suggests that congress should permit the commission to overstep state lines and regulate such local and proportional rates as might be used to accomplish what the railways would be prevented from accomplishing by interstate rates.

The president does not specify the nature of that "far-reaching disaster" which he fears would result from government ownership, but he is right in not undertaking a discussion which is at this time foreign to the question in hand. On the whole his recommendations with reference to railway regulation are wise and ample, and it is to be hoped that congress will confer upon the interstate commerce commission all those powers which the president believes it should have. The friends of government ownership will await the result of government regulation with more satisfaction if they know that regulation is being fully and fairly tried. Through government regulation to government ownership is the natural evolution.

Friends of effective legislation will feel that the president

might have strengthened his position by urging congress to attach a criminal penalty for violation of the new interstate commerce law. The criminal penalty of the present law was abolished by the Elkins amendment, which merely provides a fine. There was no good reason why the criminal penalty should have been abolished and the cause of rate regulation would gain much by its restoration.

The message has its weak points, and none is weaker than its reference to the tariff. If the passage had been written by anyone but the president it would be called "a straddle." Its chief error lies in the assumption that the demand for tariff revision is not general and that it emanates from certain sections only. The president asserts that it is better certain sections should suffer than that all sections should be injured by a change in the schedules. The demand for tariff revision is the result of trust prices and the people are paying trust prices in all sections of the country. Consequently the people are united in asking that congress shall revise those tariffs which give shelter to the trusts. The president's endorsement of reciprocity is modified by an "if." It may be necessary and it may not. Should it prove to be necessary congress should favor it.

The weakness of the tariff recommendation is apparent and leads to the suspicion that the president has been so much engrossed by the railway question that he has not familiarized himself with the present status of the tariff question. It is possible that the president, seeing the danger of division in republican ranks and not caring to offer too many causes for discord, purposely avoids taking a pronounced position for or against tariff revision. It will be noted, moreover, that the president is absolutely silent on the subject of buying canal supplies abroad, a policy he favored because he did not think the government should pay the exorbitant trust prices that have proved so burdensome to the public.

The president's policy with reference to the navy shows distinct improvement. He no longer favors lavish expenditures, but proposes that one battleship be built each year. This policy, however, is dictated not so much by the state of the revenues as by the fear that present-day armaments will soon be out of date. His proposal that troops be concentrated at larger military posts and that the smaller posts be abandoned is worthy of careful consideration. If the effect of such a change be to decrease the number of posts near large cities, the plan will meet with popular approval, but if the effect be to remove the troops from minor posts to posts near the cities, the people are apt to suspect a conspiracy against strikes.

In making his excellent recommendations regarding government control of corporations the president seems to assign life insurance companies to the corporation class and holds that the national should replace state legislation because state legislation has proved deficient. With respect to corporations this is true, and quite untrue with respect to life insurance companies. The failure to obtain proper regulation of life insurance companies is due to the neglect and wrongdoing of life insurance inspectors and of legislators. The lesson taught by the life insurance disclosures is that better men must be elected to all offices within the gift of the people and not that the federal government should usurp the prerogatives of the states. If congress decides to legislate upon the subject of insurance its legislation should supplement rather than replace state legislation.

The president reiterates his belief that there should be "the element of elasticity in our currency." This would seem to be an indirect approval of the asset currency scheme which has found so much favor among the bankers who formerly lashed themselves