## **PRESIDENT OUTLINES ISSUES OF THE DAY**

Important Recommendations as to Legislation Made in Annual Message to Congress-Large Part of Document Devoted to Corporations and Railroad Rate Legislation-Relations of Labor and Capital **Dealt With Fully.** 

The message of President Roose-, est railroad man and the honest shipvelt, read at the first session of the Fifty-ninth Congress, congratulates the people on the continued prosperity of the nation. The close relationship and mutual dependence upon each other of capital and labor are pointed out, and the message con-

tinues:

## Corporations.

Yet, while not merely admitting, but insisting upon this, it is also tue that where there is no governmental restraint or supervision some of the exceptional men use their energies not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organization are now so large and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign-that is, to the Government, which represents the people as a whole—some effective power of supervis-ion over their corporate use. In order to insure a healthy social and industrial life, every big corporation should be held reand be accountable to, some sible by, sovereign strong enough to control its conduct. I am in no sense hostile to cor-This is an age of combination. porations. and any effort to prevent all combination, tion will be not only useless, but in the end vicious, because of the contempt for law which the failure to enforce law inlaw which the failure to enforce law in-evitably produces. We should, moreover, in cordial and ample fashion the immense good effected corporate agencies in a country such as ours, and the wealth of intellect, energy, and fidelity devoted to their service and therenormally to the service of the public. by their officers and directors. The cor poration has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice. diction present it

The President shows the impossibility of the individual states dealing successfully with corporation greed, and the necessity of conferring power upon the general government even to the extent of a proper amendment to the constitution. He says:

It has been a misfortune that the national laws on this subject have hitherto been of a negative or prohibitive rather than an affirmative kind, and still more that they have in part sought to pro-hibit what could not be effectively prohibited, and have in part in their hibitions confounded what should DTOthe law. allowed and what should not be allowed. It is generally useless to try to prohibit all restraint on competition, whether this restraint be reasonable or unreasonable; and where it is not useless it is generally hurtful. Events have shown generally hurtful. Events have shown that it is not possible adequately to secure the enforcement of any law of this kind by incessant appeal to the courts. The Department of Justice has for the last four years devoted more attention to see him penalized; but we do desire to

States. I lay the matter before you what I trust will be your favorable co sideration. In any great labor disturbance not only are employer and employe interested, but also a third party—the general public. Every considerable labor difficulty in involved Every considerable labor dimcuity in which interstate commerce is involved should be investigated by the government and the facts officially reported to the question of securing a healthy, selfespecting, and mutually sympathetic attitude as between employer and employe, capitalist and wage-worker, is a difficult capitalist and wage-worker, is a dimcuit one. All phases of the labor problem prove difficult when approached. But the underlying principles, the root principles, in accordance with which the problem must be solved are entirely simple. We can get justice and right dealing only if We must face accomplished facts, and the united of treating a man on his worth principle of treating a man on his worth as a man rather than with reference to his social position, his occupation, or the class to which he belongs. There are selfish and brutal men in all ranks of life. seinsn and brutal men in all ranks of life. If they are capitalists their selfishness and brutality may take the form of hard indifference to suffering, greedy disregard of every moral restraint which interferes per alike would be benefited. Ending the subject, the President says: with the accumulation of wealth, and cold-blooded exploitation of the weak; or, All private-car lines, industrial roads refrigerator charges, and the like should be expressly put under the supervision of the interstate Commerce commission or cold-blooded exploitation of the weak; of, if they are laborers, the form of laziness, of sullen envy of the more fortunate, and of willingness to perform deeds of mur-derous violence. Such conduct is just as reprehensible in one case as in the other, and all honest and farseeing men should join in warring against it wherever it how manifest individual canitalsome similar body so far as rates, and agreements practically affecting rates, are concerned. The private-car owners and the owners of industrial railroads are entitled to a fair and reasonable compen-sation on their investment, but neither it becomes manifest. Individual capital-ist and individual wage-worker, corpora-tion and union, are alike entitled to the protection of the law, and must alike private cars nor industrial railroads nor spur tracks should be utilized as devices for securing preferential rates. A rebate obey the law. Moreover, in addition to mere obedience to the law. each man, in icing charges, or in mileage, or in a division of the rate for refrigerating mere obedience to the law. each man. if he be a really good citizen, must show broad sympathy for his neighbor and genuine desire to look at any question arising between them from the standpoint of that neighbor no less than from his own; and to this end it is essential that capitalist and waye-worker should con-sult freely one with the other, should each strive to bring closer the day when both charges is just as pernicious as a rebati in any other way. No lower rate should apply on goods imported than actually obtains to domestic goods from the American seaboard to destination except in cases where water competition is the controlling influence. There should be publicity of the accounts of common carstrive to bring closer the day when both riers; no common carrier engaged in interstate business should keep any books strive to bring closer the day when both shall realize that they are properly part-ners and not enemies. To approach the questions which inevitably arise between them solely from the standpoint which or memoranda other than those reported pursuant to law or regulation, and thes books or memoranda should be open to the inspection of the government. Only treats each side in the mass as the en-emy of the other side in the mass is both in this way can violations or evasions of wicked and foolish. In the past the most the law he surely detected. A system of examination of railroad accounts should direful among the influences which have brought about the downfall of republics has ever been the growth of the class spirit, the growth of the spirit which he provided similar to that now conducted into the national banks by the bank examiners; a few first-class railroad ac-countants, if they had proper direction tends to make a man subordinate the wel-fare of the public as a whole to the weland proper authority to inspect books fare of the particular class to which he belongs. This inevitably brings about a and papers, could accomplish much in preventing willful violations of the law. tendancy to treat each man not on his merits as an individual, but on his posifor them to would not be necessary examine into the accounts of any railroad tion as belonging to a certain class in the community. If such a spirit grows up in this Republic it will ultimately prove unless for good reasons they were direct-ed to do so by the Interstate Commerce commission. It is greatly to be desired that some way might be found by which fatal to us, as in the past it has proved fatal to every community in which it has an agreement as to transportation withtinue to keep a quick and lively sense of the great fundamental truth that our concern is with the individual in a state intended to operate as a fraud upon the federal interstate commerce laws could be brought under the juris

of the federal authorities. At it occurs that large shipments worth of the individual man, this government cannot permanently hold the place which it has achieved among the nations. The of interstate traffic are controlled by conessions on purely state business, which vital lines of cleavage among our people do not correspond, and indeed run at right an-gles to, the lines of cleavage which divide of course amounts to an evasion of the law. The commission should have power to enforce fair treatment by the great trunk lines of lateral and branch lines. I urge upon the Congress the need for occupation from occupation, which divide wage-workers from capitalists, farmers from bankers, men of small means from men of expeditious action by the Interstate Com-merce commission in all these matters, large means, men who live in the towns from men who live in the country; for the vital line of cleavage is the line which divides the whether in regulating rates for transpor tation or for storing or for handling honest man who tries to do well by his neighbor from the dishonest man who does ill property or commodities in transit. The history of the cases litigated under the neighbor from the dishonest man who does he by his neighbor. In other words, the stand-ard we shoull establish is the standard of conduct, not the standard of occupation, of means or of social position. It is the man's moral quality, his attitude toward the present commerce act shows that its efficiency has been to a great degree destroyed by the weapon of delay, almost the most formidable weapon in the hands of those whose purpose it is to violate The question of transportation lies

great questions which concern all humanity, his cleanliness of life, his power to do his duty toward himself and toward others, which duty toward nimself and toward others, which really count; and if we substitute for the standard of personal judgment which treats each man according to his merits, another standard in accordance with which all men the root of all industrial success, and the revolution in transportation which has taken place during the last half century o. one class are favored and all men of an-other class discriminated against, we shall do other class discriminated against, we shall do irreparable damage to the body politic. I be-lieve that our people are too sane, too self-respecting, too fit for self-government, ever to adopt such an attitude. This government

Insurance.

The Revenues.

and ourselves. Having in view even larger

loser commercial connections with the other

Economy in Expenditures.

Currency.

once his act or opinion as an elector; and provisions for the publication not only of the expenditures for nominations and elec-tions of all candidates, but also of all conreceived and expenditures made by olitical committees. I desire to repeat this recommendation. In

litical campaigns in a country as large and populous as ours it is inevitable that there should be much expense of an entirely leg timate kind. This, of course, means that many contributions, and some of them of large size, must be made, and, as a matter of fact, in any big political contest such con-tributions are always made to both sides. I is entirely proper both to give and receive them, unless there is an improper motive connected with either gift or reception. If they are extorted by any kind of pressure or promise, express or implied, direct or indirect, in the way of favor or immunity, then the giving or receiving becomes not only improper but criminal. It will undoubtedly be difficult as a matter of practical detail to shape an act which shall guard with reasonshape an act which shall guard with reason-able certainty against such misconduct; but if it is possible to secure by law the full and verified publication in detail of all the sums contributed to and expended by the candi-dates or committees of any political parties the result cannot but be wholesome. All con-tributions by corporations to any political committee or political sums contributions. committee or for any political purpose should be forbidden by law; directors should not be permitted to use stockholders' money for be permitted to use stockholders money for such purposes; and, moreover, a prohibition of this kind would be, as far as it went, an effective method of stopping the evils aimed at in corrupt practices acts. Not only should both the national and the several state legis latures forbid any officer of a corporation from using the money of the corporation in or about any election, but they should also forbid such use of money in connections with counsel in public manner for distinctly legal services. The position of the United States

with regard to The Hague conference is clearly shown, the desire of the United States for continuance of the world's peace being made apparent and the necessity for strength to maintain a righteous position insisted upon.

Elaborating on the many reasons existing for the maintenance of the Monroe doctrine, the message points out how the interests of our southern neighbors are identified with our own and the impossibility of the United States using the doctrine as a means for aggrandizement. The help afforded Santo Domingo in her escape from the importunities of foreign creditors and rapacious revolutionists at home is shown as a case in point.

## Army and Navy.

The President insists upon the necessity for a well trained body of soldiers as a nucleus for an army in time of trouble, and that maneuvers of a practical kind should be under- on the same basis of stable citizentaken to adapt the forces to actual ship as exists on this continent." conditions of warfare. An increase in the artillery force so that the coast fortifications can be adequately manned is also recommended, with liberal appropriations for the building and bringing to a state of perfection of the United States navy.

## Naturalization Laws.

Of our present naturalization laws. the message says:

During the past year evidence has accu-mulated to confirm the expressions contained in my last two annual messages as to the importance of revising by appropriate legislation our system of naturalizing aliens. appointed last March a commission to make careful examination of our naturalizing laws, and to suggest appropriate measures to avoid the notorious abuses resulting from improvident or unlawful izenship. This commission, composed of an officer of the Department of State, of the Department of Justice, and of the Department of Commerce and Labor, has dis-charged the duty imposed upon it, and has submitted a report, which will be transmitted to the Congress for its consideration, and, I hope, for its favorable action. The distinguishing recommendations of the The Philippines,

Despite the series of disasters which have afflicted the Philippine Islands since the American occupation-the rinderpest, the locusts, and the drought-conditions are shown to have steadily improved and tranquility is now almost universal. The Filipinos are beginning to realize the benefits of education, and a school attendance of 70 per cent is the result. Referring to trade between the islands and the United States, the message savs:

A statute in force, enacted April 15, 1904, suspends the operation of the constwise laws of the United States upon the trade between the Philippine islands and the United States until July 1, 1906. I carnestly recommend that this suspension be postponed until July 1, 1900. I think it of doubtful utility to apply the const-wise laws to the trade between the United States and the Philippines under any circum-stances, because 1 am convinced that it will do no good whatever to American bottoms, and will only interfere and be an obstacle to the will only interfere and be an obstacle to the trade between the Philippines and the Unite States; but if the coastwise law must be the States; but if the coastwise law must be thus applied, certainly it ought not to have effect until free trade is enjoyed between the peo-ple of the United States and the people of the Philippine islands in their respective products. I do not anticipate Lat free trade between the islands and the United States will produce a revolution in the sugar and tobacco produc-tion of the Philippine islands. So primitive are the methods of agriculture in the Philip-nine islands a slow is enabled in the Philip-ine islands are slow is enabled in going to the pine islands, so slow is capital in going to t islands, so many difficulties surround a lar agricultural enterprise in the islands, that agricultural enterprise in the islands, that it will be many, many years before the products of those islands will have any effect whatever upon the markets of the United States. The problem of labor is also a formidable one with

problem of labor is also a formidable one with the sugar and tobacco producers in the islands. The best friends of the Filipino people and the people themselves are utterly opposed to the admission of Chinese coolie labor. Hence the only solution is the training of Filipino labor, and this will take a long time. The enactment of a law by the Congress of the United States making provision for free trade between the islands and the United States, however, will be of great importance from a political and sentiof great importance from a political and senti-mental standpoint; and while its actual bene-fit has doubtless been exaggerated by the peo-ple of the islands, they will accept this meas-nre of justice as an indication that the people of the United States are auxious to aid the peoof the Philippine Islands in every especially in the agricultural dev

of their Archipelago. It will aid the Flipin without injuring interests in America. The President urges that immediate steps be taken for the fortification of Hawaii and the development of the territory on traditional American lines. Admission of Chinese labor under statute restrictions is condemned as leading to a status of servility which, the message declares. Omaha." can never again be tolerated on American soil. The President says: "Our aim must be to develop the territory

## Porto Rico.

Dealing with the affairs of Porto Rco, the President says:

I earnestly advocate the adoption of legisla tion which will explicitly confer American citi-enship on all citizens of Porto Rico. There is, enship on all citizens of Porto Rico. There is, in my judgment, no excuse for failure to do this. The harbor of San Juan should be dredged and improved. The expenses of the Federal court of Porto Rico should be met from the Federal treasury, and not from the Porto Rican treasury. The elections in Porto Rico should take pince every four years, and the legisla-ture should meet in acasion every two years. take place every four years, and the legisla-ture should meet in session every two years. The present form of government in Porto Rico, which provides for the appointment by the President of the members of the executive coun-cil or upper house of the legislature, has proved satisfactory and has aspired confidence in property owners and investors. I do not deem it advisable at the present time to change this form in any material feature. The problems and needs of the island are industrial and com-mercial rather than political.

SENATORMILLARD WHERE HE STANDS ON THE RATE QUESTION.

Promises to Stand by Roosevelt on Much Discussed Question-Representative Hinshaw of Nebraska Also Sees the President.

WASHINGTON.-The Evening Star has the following on Senator Millard's

rate position: "The attitude of Senator Millard of Nebraska, who is a member of the senate committee on interstate commerce, has been one of doubt for some time, but there is strong belief that Senator Millard has pledged himself to the president, voluntarily, to support a measure in keeping with the president's views. Senator Millard saw the president a few days ago and had a conference with him. The Nebraska senator is a candidate for reelection and there would be absolutely no chance in the world of his coming back to the senate if he should go astray on the rate proposition. The Nebraska republicans last year started the habit of indorsing candidates for United States senator in their state conventions. This was done in the case of Sepator Burkett. The next state convention, to be held next summer, probably will make an indorsement for a successor to Senator Millard. Even in case he stands by the administration on the railroad rate proposition Senator Millard will have hard time coming to the senate again. Among those who will oppose him are Norris Brown of Kearney, present attorney general of the state; Ross Hammond, a well known editor of Fremont, and Gurdon W. Wattles, a prominent banker and citizen of Hinshaw Sees President.

Representative Hinshaw saw the president for a few moments. On emerging from the cabinet room Mr. Hinshaw said it was his positive conviction that a rate bill in strict accord with the president's policy would pass both bodies. "The people of Nebraska are unanimous in support of the president's position as to rate legislation." Senator Dolliver of Iowa, a member of the committee on interstate commerce, talked with the president briefly. After his interview the senator remarked when asked about rate legislation: "We are now moving along toward a practically unanimous stand

for the president's policy." President Silent Until Message. It developed today that the subject conference which was participated in Discussing the needs of Alaska, the by the president, Secretaries Root, President recommends that the terri- Taft and Bonaparte, Senator Knox and tory be given an elective delegate Commissioner of Corporations Garwho will be able to speak with au field, was proposed legislation affectthority on the needs of that section ing freight rates. It has been posiof our country. The message con- tively decided that there shall be no further expression of the administration's views on this subject pending the publication of the president's message to congress in which it is treated at great length.

THE GUARDS FAIL.

and the second

Troops Protecting Imperial Family Show Discontent.

ST. PETERSBURG - The most alarming indication of the spread of the disaffection in the army, extend-INTERVIEWS THE PRESIDENT ing even to regiments near the person of the emperor, was given in the ar-

rest at Tsarskoe Selo of a number of soldiers belonging to the Yellow Cuirassiers of the Guard, the Hussars of the Guard and the Life Guard Riflement for presenting a series of peti-

tions, including one against the use of troops for police purposes.

The regiments in question are those which have been specially selected by General Trepoff to guard the emperor and his family. They have been counted upon as being loyal to the last, ready even to be torn to pieces in defense of his majesty, like the Swiss guards of Louis XVI. Their arrest, however, although not for open sedition, shows how the leaven of discontent is working even within the precincts of the imperial park at Tsarskoe Selo.

The incident gave rise to most alarming rumors in St. Petersburg, including one to the effect that the emperor actually had been attacked and that a grand duke had been wounded while defending him; but the Associated Press is assured by a member of the imperial entourage at Tsarskoe Selo that this is absolutely un-

true.

## **UNITED STATES OFFICIAL** ATTACKED BY ROWDIES

ST. PETERSBURG-Robert Wood Bliss, second secretary of the American embassy, who has just returned here after a three months' vacation in Paris, was the victom of an outrage by rowdies in one of the most fashionable streets of the capital late last night, and only escaped being beaten to death through the timely arrival of the police.

Charge d'Affaires Eddy has reported the affair to the authorities at Washington, but as the incident was a plain case of rowdyism he probably will not make official representations at the foreign office here unless instructed to do so.

HAVE NOT CHANGED MINDS.

Canal Consulting Engineers Stick to Their Views.

WASHINGTON-The five foreign delegates to the board of consulting engineers of the isthmian canal commission left for New York and will soon sail for their homes. They will meet again in Brussels during the first days of next January. General under discussion at the White house Davis will go to that city as representative of the American members

of the board, and will take with him

the documents which are not yet

drawn up and which will then have

to be signed by the foreign delegates.

they had reconsidered their first vote,

one of the delegates made the follow-

"Whatever we have had to say will

be found in the report which will shortly be in the hands of President

Roosevelt. That we should change

our vote on a subject to which for

three months we have given our clos-

est attention, and should change it

merely because some parties are not

contented with it, is a great absurd-

ing statement:

Speaking of published stories that

lation than to anything else. Much has been accomplished; particularly marked has been the moral effect of the prosecu-tions; but it is increasingly evident that be a very insufficient beneficial will result in the way of economic change. The successful prosecution of one device to evade the law immediately develops another device to accomplish the same purpose. What is needed is not sweeping ohibition of every arrangement, good or d, which may tend to restrict competition, but such adequate supervision and regulation as will prevent any restriction of competition from being to the detri-ment of the public—as well as such supervision and regulation as will prewent other abuses in no way connected with restriction of competition. Of these abuses, perhaps the chief, although by no means the only one, is overcapitaliza-tion-generally itself the result of dispromotion-because of the myriad evils it brings in its train; for such overenitalization often means an inflation that invites business panic; it always conceals the true relation of the profit to the actual capital invested, and it creates a burden of interest payments which is a fertile cause of improper reduction or in limitation of wages; it damages the small investor, discourages thrift, and encourages gambling and speculation; while perhaps worst of all is the trickiness and dishonesty which it implies harm to motals and worse than any possible harm to material interests, and the debauchery of politics and business by great dishonest corporations is far than any actual material evil they e public. Until the national governdo the public. ment obtains, in some manner which the visdom of the Congress may suggest. proper control over the big corporations engaged in interstate commerce—that is, over the great majority of the big corporations-it will be impossible to deal adequately with these evils.

I am well aware of the difficulties of legislation that I am suggesting, and of the need of temperate and cautious ction in securing it. I should emphatically protest against improper radical or hasty action. The first thing to do is action. The first thing to do is al with the great corporations engaged in the business of interstate transportation. As I said in my message of Dec. 6 last, the immediate and most pressing need, so far as legislation is concerned, is the enactment into iaw of ome scheme to secure to the agents of the government such supervision regulation of the rates charged by the llroads of the country engaged in interstate traffic as shall summarily and effectively prevent the imposition of un-just or unreasonable rates. It must include putting a complete stop to rebates in every shape and form. This power to regulate rates, like all similar powers over the business world, should be exer-cised with moderation, caution, and selfrestraint; but it should exist, so that it can be effectively exercised when the

The first consideration to be kept in mind is that the power should be affirm-ative and should be given to some ad-ministrative tody created by the Congress. If given to the present Interstate Com-merce commission or to a reorganized Interstate Commerce commission, such commission should be made unequivocally administrative. I do not believe in the overnment interfering with private business more than is necessary. I do not believe in the government undertaking ny work which can with propriety be ft in private hands. But neither do I in the government flinching from overseeing any work when it become evident that abuses are sure to obtain therein unless there is governmental supervision. It is not my province to indicate the exact terms of the law which uld be enacted; but I call the attention of the Congress to certain existing con-ditions with which it is desirable to deal. In my judgment the most important prowhich such law should contain is that conferring upon some competent administrative body the power to decide, upon the case being brought before it. whether a given rate prescribed by a railroad is reasonable and just. and if it is found to be unreasonable and unjust, Tound to be unreasonable and unjust, then, after full investigation of the com-plaint, to prescribe the limit of rate-beyond which it shall not be lawful to go --the maximum reasonable rate, as it is commonly called—this decision to go into effect within a reasonable time and to obtain from thence onward, subject to review by the courts. It sometimes hap-pens at present not that a rate is too review by the courts. It sometimes hap-pens at present, not that a rate is too high but that a favored shipper is given too low a rate. In such case the commis-sion would have the right to fix this y established minimum rate as maximum and it would need one or two such decisions e commission to cure railroad com-s of the practice of giving improper already established minimum rate as the maximum and it would need

is not and never shall be government by a plutocracy. This government is not and never shall be government by a mob. It shall continue to be in the future what it has been in the past, a government based on so handled that the strong man shall be given no advantage over the weak man. We wish to insure as fair treatment for the small town as for the big city, for the small shipper as for the big shipper. In the old days the highway of commerce. the theory that each man, rich or poor, is to we treated simply and solely on his worth as a man, that cll his personal and property rights are to be safeguarded, and that he is whether by water or by a road on land, was open to all; it belonged to the public and the traffic along it was free. At present the railway is this highway, and neither to wrong others nor to suffer wrong we must do our best to see that it is kept open to all on equal terms. Unlike the old highway it is a very difficuit and complex thing to manage, and it is far better that it should be managed by from others. The great insurance companies afford strikin" examples of corporations whose business has extended so ar beyond the jurisdiction of the states which created them as to prebetter that it should be managed by private individuals than by the govern-ment. But it can only be so managed on condition that justice is done the public. If is because, in my judgment, public ownership of railroads is highly undesir-able and would probably in this country output for reaching dispetts that I will clude strict enforcement of supervision and regulation by the parent States. In my last annual message I recommended "that the Congress carefully consider whether the pow-er of the Bureau of Corporations cannot conentail far-reaching disaster, that I wish to see such supervision and regulation stitutionally be extended to cover interstate transactions in insurance." Recent events of them in the interest of the public as will make it evident that there is no need for public ownership. The opponents of government regulation dwell upon the difficulties to be encountered and the have emphasized the importance of an early and exhaustive consideration of this ques-tion to see whether it is not possible to furnish better safeguards than the several states have been able to furnish against corintricate and involved nature of the prob-lem. Their contention is true. It is a complicated and delicate problem, and all ruption of the flagrant kind which has been exposed. kinds of difficulties are sure to arise in connection with any plan of solution, while no plan will bring all the benefits hoped for by its more optimistic adher-ents. Moreover, under any healthy plan, the benefits will develop gradually and not Touching the question of tariff and revenue, the views of the President are as follows: rapidly. Finally, we must clearly under-stand that the public servants who are There is more need of stability than to do this peculiarly responsible and delicate work must themselves be of the the attempt to attain an ideal perfection in the methods of raising revenue; and the highest type both as regards integrity and shock and strain to the business world cerefficiency. They must be well paid, for otherwise able men can not in the long tain to attend any serious change in these methods render such change inadvisable unmethods render such change inadvisable un-less for grave reason. It is not possible to lay down any general rule by which to de-termine the moment when the reasons for will outweigh the reasons against such a change. Much must depend, not merely on the needs, but on the desires, of the people as a whole; for needs and desires are not necrun be secured; and they must possess a lofty probity which will revolt as quick-

ly at the thought of pandering to any gust of popular prejudice against rich men as the thought of anything even remotely resembling subserviency to rich men. But while I fully admit the difficulties in the way, I do not for a moment admit that these difficulties warrant us essarily identical. Of course no change can be made on lines beneficial to, or desired in stopping in our effort to secure a wise by, one section of one state only. There must and just system. They should have no be something like a general agreement among other effect than to sour us on to the the citizens of the several states, as repre exercise of the resolution, the even-band-ed justice, and the fertility of resource, which we like to think of as typica'ly American, and which will in the end sented in the Congress, that the change is needed and desired in the interest of the people as a whole; and there should then be a sincere, intelligent, and disinterested effort achieve good results in this as in other fields of activity. The task is a great one and underlies the task of dealing to make it in such shape as will combine, so far as possible, the maximum of good to the people at large with the minimum of neceswith the whole industrial problem. But the fact that it is a great problem does not warrant us in shrinking from the attempt to solve it. At present we face sary disregard for the special interests of localities or classes. But in time of peace the revenue must on the average, taking a series of years together, equal the expendisuch utter lack of supervision, such freedom from the restraints of law, that tures or else the revenues must be increased. Last year there was a deficit. Unless our exexcellent men have often been literally forced into doing what they deplored because otherwise they were left at the mercy of unscrupulous competitors. To rail at and assail the men who have done what shape such a readjustment should take, for it is as yet too early to say whether there will be need for it. It should be con-sidered whether it is not desirable that the tariff laws should provide for applying as as they best could under the conditions accomplishes little. What we need to do is to develop an orderly system; and such a system can only come through against or in favor of any other nation maxi-mum and minimum tariff rates established by

lually increased exercise of the the Congress, so as to secure a certain reci-procity of treatment between other nations right of efficient government control. The necessity for safety appliances

considerations of policy than those on railroads, recommended in the purely economic nature, it would, in my judgment, be well to endeavor to bring about President's message to the last Congress, is emphasized, together with people of this continent. I am happy to be able to announce to you that Russia now treats us on the most-favored-nation basis. the necessity for a law regulating the hours of labor of railroad men.

On the labor question, the mes-The necessity for economy and a sage says:

There has been demand for depriving courts of the power to issue injunctions in labor disputes. Such special limitation of the equity powers of our courts would be most unwise. It is true that some judges have misused this power; but this does not justify a denial of the power any more than an improper exercise of the power to call a strike by a labor hader would justify the denial of the right to strike. The remedy is to regulate the procedure by requiring the judge to give rigid scrutiny of appropriations is made manifest, with this proviso: Yet, in speaking of economy, I must in no wise be understood as advocating the false economy which is in the end the worst extravagance. To cut down on the navy, for instance, would be a crime against the na-To fail to push forward all work the Panama canal would be as great a folly. procedure by requiring the judge to give due notice to the adverse parties before The currency question is dealt with as follows: Every consideration of prudence demands the addition of the element of elasticity to our currency system. The evil does not consist in an adequate volume of money, but in the rigidity of this volume, which does not respond as it should to the varying needs of issuing of a restraining order or injunc tion in any case in which it is not already

communities and of scasons. Inflation must be avoided, but some provision should be made that will insure a larger volume of authorized by existing law. I renew the recommendation I made in noney during the fall and winter than in the less active seasons of the year; so that the currency will contract against speculation, and will expand for the needs of legitimate business. At present the Treasury department is at irregularly recurring in-

commission are:

First. A federal bureau of naturalization. to be established in the Department of Commerce and Labor, to supervise the adminis tration of the naturalization laws and to ceive returns of naturalizations pending and

Second. Uniformity of naturalization certificates, fees to be charged and procedure. Third. More exacting qualifications for citizenship

Fourth The preliminary declaration of intention to be abolished and no alien to be naturalized until at least ninety days after the filing of his petition.

Jurisdiction to naturalize aliens Fifth. to be confined to United States district courts and to such State courts as have jurisdiction in civil actions in which the amount in controversy is unlimited; in cities of over 100,-00 inhabitants the United States district courts to have exclusive jurisdiction in the naturalization of the alien residents of such

## Criminal Laws.

Legislation to make our criminal aws more effective and to provide ad-

equate punishment for breaches of trust by public officals is urged, and the promise made that all the power of the administration shall be devoted to the detection and punishment of such wrongdoers.

## The President continues:

Once again I call your attention to the condition of the public-land laws. Recent developments have given new urgency to the need for such changes as will fit these laws to actual present conditions. The honest disposal and right use of the remaining public lands is of fundamental importance. The iniquitous methods by which the monopolizabout under the present laws are becoming more generally known, but the existing laws do not furnish effective remedies. The recmmendations of the Public Lands commision upon this subject are wise and should be given effect.

The policy of creating forest reserves is shown to have met popular approval, as has the initiation of forest reserves.

### penditures can be kept within the revenue then our revenue laws must be readjusted. It is as yet too early to attempt to outline Merchant Marine.

lows.

On the subject of the merchant marine, the message says:

To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neu-tral markets, and in case of need to reinforce our battle line. It cannot but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefthe lines of ly under foreign control. It is not a good thing that American merchants and manu-facturers should have to send their goods and letters to South America via Europe if they wish security and dispatch. Even on the Pacific, where our ships have held their own better than on the Atlantic, our mer-chant flag is now threatened through the libtheir own steam lines. I ask your earnest

sideration of the report with which the Merchant Marine commission has followed its long and careful inquiry.

Praise of the good work of the pension bureau with an acknowledgement of the debt the country owes to the veterans of the Civil war fol-

## Immigration.

## Continuing, the message shows clearly the necessity for checking the steamship companies in their activity in promoting the importation of undesirable immigrants, while pointing out how warmly welcome is the man of good health and moral character, who bids fair to add value to the community. An increase in the stringency of the immigration law is advo-

cated.

mercial rather than political

cludes:

### Admission to Statehood.

I recommend that Indias Territory and Okla-I recommend that Indiaz Territory and Okla-homa be admitted as one State and that New Mexico and Arizona be admitted as one State. There is no obligation upon us to treat ter-ritorial subdivisions, which are matters of con-venience only, as binding us on the question of admission to statehood. Nothing has taken up more time in the Congress during the past few recent than the congress during the past few years than the question as to the statehood to be granted to the four Territories above men-tioned, and after careful consideration of all that has been developed in the discussions of the question I recommend that they be imnediately admitted as two States. There mediately admitted as two States. There is no justification for further delay; and the ad-visability of making the four Territories into two States has been clearly established. In some of the Territories the legislative assemblies issue licenses for gambling. The Congress should by law forbid this practice. the harmful results of which are obvious at a glance.

## The Panama Canal.

mittee on interstate commerce receiv-The treaty between the United States and ed a copy of the rate bill prepared the Republic of Panama, under which the by the interstate commerce commisconstruction of the Panama canal was made possible, went into effect with its ratification by the United States Senate on Feb. 23, 1964. The canal properties of the French Canal Com-pany were transferred to the United States on amendment to the interstate commerce law. The members of the com-April 23, 1904, on payment of \$40,000,000 to that company. On April 1, 1965, the Commismittee who were present at the session was reorganized, and it now consists of Sion was reorganized, and it now consists of Theodore P. Shouts, chairman, Charles E. Ma-goon, Renjamin M. Harrod, Rear-Admiral Mor-decal T. Endicott, Brig.-Gen, Peter C. Hains, and Col. Oswald H. Ernst, John F. Stevens sion read the bill, but took no action and adjourned until Friday. The bill is very extensive, covering twentyseven pages of typewritten sheets, and was appointed chief engineer on July 1 last Active work in canal construction, mainly pre-paratory, has been in progress for less than it proposes to amend very materially year and a half. During that period two points about the canal have ceased to be open to dethe present law. bate. First, the question of route; the canal will be built on the isthmus of Panama. Sec-ond, the question of feasibility; there are no physical obstacles on this route that American engineering skill will not be able to overcome without serious difficulty, or that will prevent the membridge of the const within a result. LORD ROBERTS HAS RESIGNED. Due to Differences with Premier Balthe completion of the canal within a able time and at a reasonable cost. virtually the unanimous testimony of the enineers who have investigated the matter

he government. point which remains unsettled is th The question of type, whether the canal shall be one of several locks above sea level, or at ser level with a single tide lock. On this point hope to lay before the Congress at an early da the findings of the Advisory Board of Ame tation have been considering the subject. to gether with the report of the commission there on; and such comments thereon or recommenda

tions in reference thereto as may seem neces sary. What is needed now and without delay is a appropriation by the Congress to meet the cur-rent and accruing expenses of the commission. The first appropriation of \$10,000,000, out of the \$135,000,000 authorized by the Speener act. was made three years ago. It is nearly ex hausted. There is barely enough of it remain ing to carry the commission to the end of the year. Unless the Congress shall appropriate before that time all wo k must cease. rest progress for any length of time now, when matters are advancing so satisfactorily, would be deplorable. There will be no money with which to meet pay-roll obligations and none which to meet pay-roll obligations and none with which to meet bills coming due for ma-terials and supplies; and there will be demoral-ization of the forces, here and on the isthmus, now working so harmoniously and effectively. now working so narmoniously and energency appropriation. Estimates of the anount necessary will be found in the accompanying re-ports of the Secretary of War and the com-

## Department of State.

mission.

Neither at home nor ab oad is there a saf-ficient working force to do the business properly. In many respects the system which was ade-quate to the work of twenty-five, or even ten, years ago. Is inadequate now, and should be changed. Our consular force should be classichanged. Our constitut to be made to the several classes, with anthority to the Evera-tive to assign the members of each class to duty at such posts as the interests of the ser-vice require, instead of the appointments be vice require, instead of the appointments be-ing made as at present to specified pasts. There should be an adequate inspection ser-vice, so that the Department may be able to nform itself how the business of each consuivalent made in salary to the officers who is eke out their subsistence by means of quivalent made

It was also learned that there has been no change whatever in the president's view as to the best form of rate legislation. In other words, his views have not been affected by any of the propositions recently made public.

WASHINGTON-The senate com-

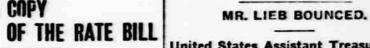
four.

have been requested to act on the com-

understood to have been to a great ex-

mittee for imperial defense.

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ity."

United States Assistant Treasurer Removed.

WASHINGTON.-President Roosevelt on Monday removed from office William S. Lieb, assistant United sion to be submitted to congress for States treasurer at Philadelphia, for "constant and persistent violation of the civil service law while in office."

In a formal statement issued at the White house by President Roosevelt Mr. Lieb's removal is announced. The president gave Mr. Lieb a hearing last Friday at the request of Senator Penrose and Senator Knox of Pennsylvania. Mr. Lieb submitted a long statement in answer to the charges made against him and was supported in his defense by Representative Pat-

terson of Pennsylvania. The statement says:

"After careful consideration of all LONDON-It is officially announced the facts developed by the inquiry, the that Field Marshal Lord Roberts has president decided to remove Mr. Lieb resigned from the committee for imfrom office, it being shown, according perial defense in order to take up the to the statement, that there was 'conorganization throughout the country stant and consistent effort on your of work connected with his proposals (Mr. Lieb's) part to evade the provifor universal military training. Vissions of the civil service law, to hamcount Esher, deputy governor of per its workings as far as possible and Windsor castle, and Lieutenant Gento obstruct in every way the action of eral Sir John French, commander of the commission."" the First army corps at Aldershot,

DISASTROUS SEASON ON LAKES.

The resignation of Lord Roberts is Seventy Ships Wrecked and 149 Lives Lost.

DETROIT, Mich .- The Journal totent due to differences of opinion between himself and other members of day says 149 lives have been sacrithe committee on military policy, and ficed, over seventy ships wrecked and especially to the fact that Premier Bal- a loss of nearly \$7,000,000 has been four rejected his advice regarding the sustained in the three big storms on strength of the forces required for the the Great Lakes this season. That defense of India. Lord Roberts, by re- this is the most disastrous season in signing, renounces a salary of \$25,000 the history of shipping on the lakes is beyond doubt.

## **Redmond's Predictions.**

WATERFORD, Ireland.-John Redmond, addressing his constituents WASHINGTON-The lowa state here Thursday night, said that his law prohibiting insurance companies speech was practically his election adfrom entering into agreements fixing dress, for he believed that they were insurance rates is declared constitu- on the eve of a general election and tional by a decision of the supreme that the life of the government might court of the United States in the case he counted by hours. Mr. Redmond inte is being done, instead of depending upon inte is being done, instead of depending upon casual private information or rumor. The fee system should be entirely abolished, and a due tor, against the Greenwich Insurance mouncy of the home rule question, beof Beryl F. Carroll, Iowa state audi- then proceeded to speak on the paracompany, et al. The decision reverses side which he said the question of the

yearly.

# IOWA INSURANCE LAW

**UPHELD BY COURTS** 

the commussion power to initiate or orkinates rates dependences. The commendation of the due service of contract of the control of the contro	to be \$12,500 the Indiana stallion Di- rector General. Director General is the sire of the noted grand circuit trotter Mainsheet, 2:081/2. Widow of Bishop Merrill. CHICAGO, Ill.—Mrs. Anna Merrill, widow of the late Bishop Stephen M. Merrill. who died in Name	
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