

THE OMAHA SUNDAY BEE

FOUNDED BY EDWARD ROSEWATER.

VICTOR ROSEWATER, EDITOR.

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CHARLES C. ROSEWATER, General Manager. Subscribed in my presence and sworn to before me this 1st day of December, 1906. (Seal.) M. E. HUNGATE, Notary Public.

WHEN OUT OF TOWN: Subscribers leaving the city temporarily should have The Bee mailed to them. Address will be changed as often as requested.

Only sixteen days till Christmas. Do your buying this week.

Kansas is learning that political fervor will not take the place of coal.

The report that the Russian government needs money is confirmed, as the czar has called Witte into his council.

Great Britain's showing on the Newfoundland affair proves that even the best of friends may disagree when the pocketbook is affected.

Democrats who oppose American citizenship for residents of Porto Rico owe it to the public to tell what they want to do with the islands.

New York's attempt to revive interest in bicycle racing will scarcely drive Santos-Dumont into retirement, as the faddists are all looking skyward.

With troops under orders to prepare to march on Lead, the Hearst mining interests seem to be plainly separated from the Hearst political interests.

Mrs. Storer has the satisfaction of knowing she is not the first woman to bring disaster home by attempting to shape the policy of church and state.

Omaha would be much more interested in the Milwaukee extension to the coast if that Milwaukee line from Omaha to South Dakota would only develop.

A Connecticut judge has added to the hazy atmosphere which surrounds labor laws by deciding that a boycott is not illegal under the terms of the Sherman law.

The discovery that life insurance agents are violating the spirit of New York laws comes as relief after they have so long been charged with violating its letter.

In declaring the state child labor law unconstitutional the New York appellate court demonstrates that either the constitution or the court should be changed.

Senator Bailey now knows from official sources the extent of his dealings with the Waters-Pierce Oil company and he is probably wondering why the evidence was preserved.

If reports of German, Russian and British plotting are true, the shah is dying at the proper time to save his place in history as the last of the independent rulers of Persia.

Even railroad managers might look with favor on increased facilities of transportation by water if it will relieve the congestion of traffic which threatens to become chronic.

The fact that Standard Oil company directors are investing money in gas companies shows a desire to let their light shine in a manner not appreciated by the men who foot the bills.

Americans who remember the experience of the United States army with cutthroats on the frontier will not be misled as to the real Filipino by the murderous assaults of Pulajanes.

If Uncle Sam continues to operate his Alaska telegraph and cable lines successfully residents of the United States may begin to wonder why he doesn't undertake the work in a more remunerative field.

NATIONAL REVENUE.

In the excitement that has followed President Roosevelt's pronouncement on the school situation in San Francisco, one of the more serious points touched on in his message has been lost sight of to a great extent. The force of his inheritance tax and income tax recommendations has been discounted. The president's discussion of these points was academic to a degree, and yet he said enough to foreshadow the inevitable reorganization of the national system of collecting revenue. The truth is that the funds in Uncle Sam's treasury have been furnished and replenished by most uncertain means, and only the phenomenal growth of the country and the unexampled prosperity of its people have enabled the government to be assured of a sufficient revenue to carry on its functions.

The principal sources of revenue depended upon by the government are an excise tax and a tariff which in the main is intended to be prohibitive. The tariff for revenue only idea was, in effect, abandoned by the republican party as a policy more than twenty-five years ago. The tariff for protection has produced a large revenue, while at the same time it has fostered and built up the American industries until the manufactures of the United States now stand in front rank among nations. The uncertainty of the income from this source is apparent. It naturally follows that as rapidly as the home demand for an article on which a duty is laid becomes satisfied by home production the income from the importation ceases. This falling off in revenue is most noticeable during periods of depression, when consumption is reduced to a minimum, and its instability as a source of revenue has caused much anxiety among the statesmen who have dealt with this topic. The argument in favor of a tariff for revenue gets its support solely from this condition.

The revenue derived from the excise tax is more reliable, for the reason that the articles on which it is laid are almost wholly a home production and are very largely consumed at home. This source of revenue produces about one-third the annual expenditure of the government, a little more than 30 per cent, leaving the balance to be derived from the various activities of the government which produce income. The removal of the tax from denatured alcohol has brought to attention the fact that in a large measure the benefit of the law will be denied to the intending users of the material for the purposes to which it is adapted. The internal revenue office has found it necessary to safeguard the interests of the government by hedging round about with rules and regulations the manufacture and sale of alcohol to such an extent as will in a large measure deprive any but established distillers from manufacturing the article. The process of manufacture is very simple, as has been simply demonstrated by the "moonshiners," but in order that the government should be assured of its excise tax, the regulations are such that it is not likely that the manufacture of alcohol for power or other purposes will soon be listed as among the farm industries of the United States. The only remedy for this condition lies in a readjustment of the revenue law which will permit the manufacture of alcohol for domestic consumption in the production of power, light or heat. This will involve, necessarily, a reduction in the tax now levied on alcohol to a point where it will not be profitable to "moonshine" on any but the largest scale.

The suggested inheritance tax has specifically in view the purpose of preventing vast and dangerous accumulations of wealth. It cannot be relied upon as a source of revenue. The income tax, however, is not open to this objection. It is possible to determine with exactness the amount of the income of each individual, corporation or firm subject to the tax and to collect it with comparatively small expense. The revenue derived from this source will be most reliable. The necessity of a continually increasing revenue for the government, no matter from what source it is derived, is apparent. In every avenue of governmental activity expenses are daily increasing. This is the natural result of the growth of the country. As population increases and industrial and commercial enterprises are extended the undertaking and responsibility of the government is enhanced and additional expense is incurred. A few years ago much surprise was expressed at a congress which appropriated a billion dollars for its biennium. Speaker Reed answered the objectors by saying: "This is a billion-dollar country." According to the report of Secretary Shaw, the total expenditures of the government for the last fiscal year were more than \$700,000,000, so that the appropriations for the congress now in its closing session will amount to at least a billion and a half. This steadily increasing expenditure may be depended upon to go on, and it requires that the government shall have other and more reliable sources of income than it now enjoys. President Roosevelt has merely indicated the fact. It will remain for the constructive statesmen in congress to develop the remedy.

The necessity for a consolidation of the municipal interests of the two Omahas is becoming more and more apparent each day. The maintenance of two governments to do the work that could be accomplished by one is an extravagance which neither city can much longer afford. This is only one of the many advantages that will flow from a union of interests, while

the reasons for maintaining separate governments that might once have been potent no longer exist. Sentiment in favor of consolidation is growing daily, and it is no longer based on the purely abstract reason involved in the census proposition.

WANTED A COHERENT WATERWAY PLAN.

In his brief address to the delegates of the National Rivers and Harbors convention President Roosevelt went to the core of the matter when he declared for "a far-reaching, coherent plan for the general improvement of the waterways." It is in large part lack of such plan that has for years prevented utilization of interior river resources and that today, when the necessity of water transportation is being forced upon public attention, constitutes one of the chief difficulties.

It avails little or nothing for the substantial purpose of transportation to tap the national treasury for a vast variety of sporadic works, though separately such expenditures may be desirable from the local standpoint, and in the aggregate vast funds have been thus dissipated. The last half century France, though its rivers are not to be compared with ours, has expended much more than the United States upon them, but the work has been done according to "a coherent plan," with the result of developing an immense system of water transportation, with convenience, cheap rates and all the other favorable competitive effects for public interest. By no possibility can these advantages be secured in this country under the desultory methods hitherto followed, no matter how freely the national treasury should be tapped.

Obviously it will be necessary here, as it was in France, to concentrate expenditures to extend and connect the deeper stretches of the Mississippi and its main tributaries like the Missouri and the Ohio, which are already used for navigation, somewhat as a railroad system is developed. It cannot all be done at once, but to be accomplished economically and speedily the work before being begun must be thoroughly planned for a series of years. This, of course, involves subordination of minor or merely local interests to main points of the general plan. Unfortunately public sentiment has not yet reached this practical point, but there could be no more hopeful sign than the fact that the necessity of doing so is now being realized.

THE BANKERS' CURRENCY SCHEME.

Those who had hoped to rush through congress the currency scheme formulated a few weeks ago by the committee of the National Bankers' association and representatives of the New York Chamber of Commerce will hardly be pleased by the failure of the president in his message, and of the secretary of the treasury in his report, to endorse or champion it. The active urgency of one or the other has been quite generally regarded as indispensable for favorable action at this session of congress. The president explicitly declined to identify himself with that or any other particular scheme.

Both the president and the secretary take the strongest grounds in favor of amending our currency system in the direction of elasticity, on the basis of safety of uncovered paper. On this point there is now substantial agreement, at least in banking and business circles, the developments of the last few years having forcibly directed attention to it.

Public attention, however, has not been equally drawn to the remedy, nor, although a great variety of methods has been proposed, has there been evolved as yet substantial agreement on any one of them. The scheme of the bankers' committee thus goes before congress as merely one among numerous plans worthy of serious attention, but hardly carrying weight enough to bear down the strong opposition that will certainly be made, even from within the banking class itself. Had the president championed this plan multitudes who perhaps have given little thought to it would have assented and his refusal may by many be taken as reason even for opposing it.

MR. SCHIFF'S CHARGE OF MANIPULATION.

The charge, deliberately and positively made by Jacob H. Schiff, that the extraordinary gyrations of the call loan rate are due to disgraceful manipulation, comes from too authoritative a source to be ignored, and reinforces the point that Wall Street and affiliated interests should be held to correct their own abuses rather than permitted to make them the means for abusing the United States treasury. For a week these identical high call rates have been the basis for cumulative and far-reaching financial operations, and conspicuous financial organs are vehemently denouncing refusal to do so. When the head of one of our greatest money institutions denounces on the floor of the Chamber of Commerce the proceeding as in the main a cut-throat game, it is time for the country at large to stand more aloof from Wall Street.

No grave money trouble is now being experienced in the great body of industry and commerce, although there is still no small degree of stringency. Throughout the producing sections the banks are unplugged by local gambling and speculative operations, and are going to be able to finance reasonable demands during the brief winter interval of adjustment and settlement. It is, in short, up to the banks of the eastern centers to finance

suggestive of the possibility, if not the probability, that the remaining two small independent roads south may in like manner soon be subordinated to the old eastern route. The motive as well as the power to bring this about is enhanced by the fate of the Illinois Central.

POPULAR ELECTION OF SENATORS.

The convention called at Des Moines under a resolution of the Iowa legislature to consider the subject of amending the United States constitution so as to require the election of United States senators by popular vote at least shows that the demand for the change is steadily increasing. Though only twelve states were represented, in spite of the fact that the governors of thirty states responded favorably to the invitation and named delegates, the convention nevertheless serves in no small degree to center public attention upon the reform and is a positive step towards organized action.

The legislatures of thirty-seven states will be in session this winter. The joint request of thirty will be sufficient to require congress to submit a constitutional amendment and thirty-four to ratify it when submitted. A majority of these states are already formally committed to popular election of senators either by memorials to congress heretofore passed by their legislatures or by legal or voluntary primaries for nominating senatorial candidates, while in a great many other states popular agitation has already gone far for such a system.

The Des Moines meeting as a step in organized effort is the more significant because of the difficulties under which it is held, there being no legal provision for defraying the expenses of the delegates. Neither does the organization there effected have any save voluntary financial resources for pressing its purposes upon the legislatures of the several states. But the fact that such a convention was held, in connection with the popular movement in so many states, may be expected to aid materially in promoting legislative action this winter and in permanently advancing the reform.

EDUCATION THAT EDUCATES.

Another point in President Roosevelt's message that deserves the most careful consideration is his recommendation that the education of the youth of the country be placed on a more practical basis. It is in accord with the spirit of the times that more attention be paid to the technical training of the boys and girls of America. This suggestion has been made from time to time, but little heed has been given it. Coming now from the president of the United States, it will likely receive some attention, as it has been made a portion of his strenuous program.

Educators have long been aware of the fact that the training given in the schools has partaken too much of the literary and too little of the practical. Consideration of means for correcting this condition should not be longer delayed. The boy or girl on the way through school should be given practical along with purely theoretical or literary training, and should come out of the graded schools with something of an understanding as to what life really means. The establishment of technical schools, in which training in the handicrafts can be obtained and where knowledge of practical industry will be given, are really a necessity. Education that really educates is what is needed before all other things.

MR. WILSON REPORTS PROGRESS.

Philadelphia Press. If you want to make the lives of a lot of busy people happy this year try it on your Christmas shopping so that it will be all over at least a week before Christmas arrives.

Recognition of Merit. Louisville Courier-Journal. That real merit sometimes compels recognition is demonstrated by the fact that 11,000 volumes have been written about the works of William Shakespeare, although that sturdy vagabond never paid a nickel to a press agent.

A Pertinent Question. Chicago News. President Roosevelt wants the government coal lands withdrawn from settlement, but have the busy railroads and the brick western statesmen left any coal lands that are worth withdrawing?

Large Job in Sight. Baltimore American. The Interstate Commerce commission is about to investigate the shortage in car supply throughout the United States. It may be anticipated that it will discover that railroad equipment is not up to traffic requirements.

Tackling a Large Job. Boston Transcript. Chancellor E. Benjamin Andrews of the Nebraska university has forbidden smoking, chewing and spitting on the campus. A violation of this order means suspension, if not expulsion. Chancellor Andrews is even more drastic than Chancellor Day.

Prospective Sources of Revenue. Baltimore American. The government's annual expenditures now amount to nearly \$700,000,000 a year. If the government succeeds in collecting all the fines it is seeking from the railroads and the Standard Oil company it need not worry about a little matter like this.

Fitting Place for Reunions. St. Louis Globe-Democrat. The construction of a memorial amphitheater at Arlington for the Grand Army's use in its national encampments is urged in the president's message. In the coming years the remnant of the veteran host will be too old to march, and it is fitting that their last reunions should be held at the national capital.

Corrected on the Spot. New York Sun. At the dinner of the Philadelphia St. Andrew's society the Hon. Andrew Carnegie is on his feet. "To the Laird of Skyboe," yells some poet. The banqueters leap up joyously at the toast. "Not so fast," cries the master builder of library buildings and taxes; "Skeboe, if you please." This anecdote teaches us the necessity of spelling reform.

The Aftermath of War. Springfield Republican. The rapidity of Japan's progress in industrial development since the war "is so great as to baffle computation," says one of the leading bankers of that country. The immediate economic consequences of a war are usually of this highly stimulating character, but the remote consequences are something different. We found how that was in the early '70s.

Threatened Rebellion of Porters. Philadelphia Record. Another war is being organized for the presentation of a demand for increased wages. They are paid \$5 a month, and the general belief that they get at least as much again in tips appears to be a delusion. The porters will demand the abolition of the tips—a demand in which the traveling public will gladly join. As for increased pay, a company which recently distributed a surplus of \$50,000,000 among its stockholders can surely afford to give its employees living wages.

the troubles of their own making, and hereafter to keep out of them or to get out the best they can.

The railroad campaign against taxation in Nebraska is exciting very little notice now. The vexatious delay caused by the resistance of the Burlington and Union Pacific companies against the collection of taxes levied by the state and counties against their lines has been discounted because of its long continuance. The people are assured that sooner or later the taxes will have to be paid, and in the meantime the contumacy of the corporations is merely adding to the determination of the people of the state to control their own affairs. If the railroads are really seeking favor at the hands of the lawmakers of the state, they are going about it in a very inept manner.

For the annual meeting of the Nebraska Conference of Charities and Corrections, which will be held at Omaha next week, a very comprehensive program has been outlined. Some points of much interest to the public will be discussed. If the suggestions are practical and capable of application the conference can do much good.

For the first time in several years the report of the state auditor will show a reduction in the floating debt. This is due to the collection of a tax expressly for that purpose. That the reduction is not greater is due to the further fact that the Burlington and Union Pacific railroads have refused to pay the tax assessed against them.

The desire of Canada to make treaties relating to the Dominion independent of the imperial government is a more severe blow at the union than the demands of Ireland for home rule, but fortunately there is no traditional hatred against the policy.

In the light of Alaska's effect on the supply of gold, its request for \$1,000,000 for its industrial exposition is modest, but this should be a good time for the government to go out of the show business.

After all of its anxiety, San Francisco expects to receive 80 per cent of insurance carried before the earthquake, which will give that city several points ahead of Chicago in its rebuilding campaign.

The intimation that ice cream will be higher next summer adds little to the trouble of the man who is wrestling with the furnace, as he is beginning to learn to bear burdens as they come.

Doing Good Quickly.

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The Gift Store advertisement featuring diamond jewelry, watches, and a 'SLOO A WEEK' offer. Includes images of jewelry and text: 'Sells Diamonds on Credit', 'Cheaper Than Other Stores Do for Cash', 'On Sale Monday Only—Cut Glass Water Pitchers, \$5', 'MY EASY PAYMENT PLAN', 'A. MANDELBERG 1522 Farnam St. OMAHA'S GIFT STORE'.

MR. WILSON REPORTS PROGRESS. Sweet Music from the Sounding-Board of Prosperity. New York Sun. Tama Jim blesses the nation with a compilation of the records of his department. The man who makes the grass grow gives new cause for thankfulness. Gently goded by the silent inspector of butcher shops, "the producer from the soil" progresses and "the time of the man and yield of the acre become more responsive as more imperative demands are made on them." Jim Wilson bids the wheat be bountiful; the prairie hears and prosperity takes a new grip on the country.

Look into the Piano question for yourself advertisement for Cramer pianos. Text: 'It will pay you. We'll help. Bear in mind—the smaller the price you pay the more care you should use in selecting your piano. We ask you to take our word for it, for we will not deceive you. We've a reputation backed by 33 years' experience. We want you to know all about our pianos before you buy. MADE FOR US CRAMER Style AA. The Best Piano in the World FOR \$100. \$10 cash, \$5 monthly. We know it is better than any other piano at its price. But we don't ask you to be content with our say-so. We want you to investigate the Cramer. A personal inspection is best, of course. Come to our warerooms and we will show you this Cramer inside and outside. Hear its tone. Try its action, which is the best. The piano is double veneered inside and out. Of very latest beautiful case design, has extra heavy full metal back, hardwood bushing tuning pins. But, best of all, come to the store and let us show it. If you can't call send for the Cramer catalogue, which tells all about this piano and the satisfaction it is giving to hundreds of purchasers. We sell direct to you. We save you money because we do not pay commissions. We are one price, a guarantee that you'll be treated justly and fairly. The Hospe plan is a saver of money. A. HOSPE CO. 1513 Douglas Street You Pay But \$200 or Less for Any \$5 Per Month Piano'.