

PRESIDENT PRODS CONGRESS AGAIN

Calls Its Attention to Laws He Urges Should Be Passed.

GIVES QUITE A LENGTHY LIST

Devotes His Message, However, Almost Entirely to Corporation Control and Labor.

Presses Limitation of the Injunction—Would Strengthen the Commerce Board—National Incorporation Advocated.

To the Senate and House of Representatives:

In my message to the congress of March 25, 1908, I outlined certain measures which I believe the majority of our countrymen desire to have enacted into law at this time. These measures do not represent by any means all that I would like to see done if I thought it possible, but they do represent what I believe can now be done if an earnest effort toward this end is made.

Laws He Wants Enacted.

Since I wrote this message an employers' liability law has been enacted which, it is true, comes short of what ought to have been done, but which does represent a real advance. Apparently there is good ground to hope that there will be further legislation providing for recompensing all employees who suffer injury while engaged in the public service; that there will be a child-labor law enacted for the District of Columbia; that the waterways commission will be continued with sufficient financial support to increase the effectiveness of its preparatory work; that steps will be taken to provide for such investigation into tariff conditions, by the appropriate committee of the house of representatives and by government experts in the executive service, as will secure the full information necessary for immediate action in revising the tariff at the hands of the congress elected next fall; and finally, that financial legislation will be enacted providing for temporary measures for meeting any trouble that may arise in the next year or two, and for a commission of experts who shall thoroughly investigate the whole matter, both here and in the great commercial countries abroad, so as to be able to recommend legislation which will put our financial system on an efficient and permanent basis.

He Mentions a Few More.

It is much to be wished that one feature of the financial legislation of this session should be the establishment of postal savings banks. Ample appropriation should be made to enable the interstate commerce commission to carry out the very important feature of the Hepburn law which gives the commission supervision and control over the accounting systems of the railways. Failure to provide means which will enable the commission to examine the books of the railways would amount to an attack on the law at its most vital point, and would benefit, as nothing else could benefit, those railways which are corruptly or incompetently managed. Forest reserves should be established throughout the Appalachian mountains region wherever it can be shown that they will have a direct and real connection with the conservation and improvement of navigable rivers.

Two Measures in Much Doubt.

There seems, however, much doubt about two of the measures I have recommended: The measure to do away with abuse of the power of injunction and the measure or group of measures to strengthen and render both more efficient and more wise the control by the national government over the great corporations doing an interstate business.

DISCUSSES THE INJUNCTION

Recommendations as to a Change in Procedure.

First, as to the power of injunction and of punishment for contempt. In contempt cases, save where immediate action is imperative, the trial should be before another judge. As regards injunctions, some such legislation as that I have previously recommended should be enacted. They are blind who fail to realize the extreme bitterness caused among large bodies of worthy citizens by the use that has been repeatedly made of the power of injunction in labor disputes. Those in whose judgment we have most right to trust are of the opinion that while much of the complaint against the use of the injunction is unwarranted, yet that it is unquestionably true that in a number of cases this power has been used to the grave injury of the rights of laboring men.

I ask that it be limited in some such way as that I have already pointed out in my previous messages, for the very reason that I do not wish to see an embittered effort made to destroy it. It is unwise stubbornly to refuse to provide against a repetition of the abuses which have caused unrest. In a democracy like ours it is idle to expect permanently to thwart the de-

terminations of the great body of our citizens.

It may be, and often is, the highest duty of a court, a legislature, or an executive, to resist and defy a gust of popular passions, and most certainly no public servant, whatever may be the consequences to himself, should yield to what he thinks wrong. But in a question which is emphatically one of public policy the policy which the public demands is sure in the end to be adopted; and a persistent refusal to grant to a large portion of our people what is right is only too apt in the end to result in causing such irritation that when the right is obtained it is obtained in the course of a movement so ill considered and violent as to be accompanied by much that is wrong.

The process of injunction in labor disputes, as well as where state laws are involved, should be used sparingly, and only when there is the clearest necessity for it; but it is one so necessary to the efficient performance of duty by the court on behalf of the nation that it is in the highest degree to be regretted that it should be liable to reckless use; for this reckless use tends to make honest men desire so to hamper its execution as to destroy its usefulness. Every farsighted patriot should protest first of all against the growth in this country of that evil thing which is called "class consciousness."

The demagogue, the sinister or foolish socialist visionary, who strives to arouse this feeling of class consciousness in our working people does a foul and evil thing; for he is no true American, he is no self-respecting citizen of this republic, he forfeits his right to stand with manly self-reliance on a footing of entire equality with all other citizens, who bows to envy and greed, who erects the doctrine of class hatred into a shibboleth, who substitutes loyalty to men of a particular status, whether rich or poor, for loyalty to those eternal and immutable principles of righteousness which bid us treat each man on his worth as a man without regard to his wealth or his poverty.

But evil though the influence of these demagogues and visionaries is it is no worse in its consequences than the influence exercised by the man of great wealth, or the man of power and position in the industrial world, who by his lack of sympathy with and lack of understanding of—still more by any exhibition of uncompromising hostility to—the millions of our working people, tends to unite them against their fellow-Americans who are better off in this world's goods. It is a bad thing to teach our working people that men of means, that men who have the largest proportion of the substantial comforts of life, are necessarily greedy, grasping, and cold-hearted, and that they unjustly demand and appropriate more than their share of the substance of the many. Stern condemnation should be visited upon demagogue and visionary who teach this untruth, and even sterner upon those capitalists who are in truth grasping and greedy and brutally disregardful of the rights of others, and who by their actions teach the dreadful lesson far more effectively than any mere preacher of unrest. A "class grievance" left too long without remedy breeds "class consciousness," and therefore class resentment.

CONTROL OF CORPORATIONS

Reasons Advanced for Strengthening the Anti-Trust Law.

The strengthening of the anti-trust law is demanded upon both moral and economic grounds. Our purpose in strengthening it is to secure more effective control by the national government over the business use of the vast masses of individual, and specially of corporate, wealth, which at the present time monopolize most of the interstate business of the country. And we believe the control can best be exercised by preventing the growth of abuses rather than merely by trying to destroy them when they have already grown. In the highest sense of the word this movement for thorough control of the business use of this great wealth is conservative.

We are trying to steer a safe middle course, which alone can save us from a plutocratic class government on the one hand or a socialistic class government on the other, either of which would be fraught with disaster to our free institutions, state and national. We are trying to avoid alike the evils which would flow from government ownership of the public utilities by which interstate commerce is chiefly carried on, and the evils which flow from the riot and chaos of unregulated individualism. There is grave danger to our free institutions in the corrupting influence exercised by great wealth suddenly concentrated in the hands of the few. We should in some manner try to remedy this danger, in spite of the sullen opposition of these few very powerful men, and with the full purpose to protect them in all their rights at the very time that we require them to deal rightfully with others.

When with steam and electricity modern business conditions went through the astounding revolution which in this country began over half a century ago there was at first much hesitating as to what particular governmental agency should be used to grapple with the new conditions. At almost the same time about twenty years since the effort was made to control combinations by regulating them through the interstate commerce commission, and to abolish them by means of the anti-trust act; the two remedies, therefore, being in part mutually incompatible. The interstate commerce law has produced admir-

able results, especially since it was strengthened by the Hepburn law two years ago. The anti-trust law, though it worked some good because anything is better than anarchy and complete absence of regulation, nevertheless has proved in many respects not merely inadequate but mischievous.

Twenty years ago the misuse of corporate power had produced almost every conceivable form of abuse, and had worked the gravest injury to business morality and the public conscience. For a long time federal regulation of interstate commerce had been purely negative, the national judiciary merely acting in isolated cases to restrain the states from exerting power which it was clearly unconstitutional as well as unwise for them to exercise, but which nevertheless the national government itself failed to exercise.

Thus the corporations monopolizing commerce made the law for themselves, state power and common law being inadequate to accomplish any effective regulation, and the national power not yet having been put forth. The result was mischievous in the extreme, and only shortsighted and utter failure to appreciate the grossness of the evils to which the lack of regulation gave rise can excuse the well-meaning persons who now desire to abolish the anti-trust law outright, or to amend it by simply condemning "unreasonable" combinations.

Power should unquestionably be lodged somewhere in the executive branch of the government to permit combinations which will further the public interests, but it must always be remembered that as regards the great and wealthy combinations through which most of the interstate business of today is done the burden of proof should be on them to show that they have a right to exist. No judicial tribunal has the knowledge or the experience to determine in the first place whether a given combination is advisable or necessary in the interest of the public. Some body, whether a commission, or a bureau under the department of commerce and labor, should be given this power.

My personal belief is that ultimately we shall have to adopt a national incorporation law, though I am well aware that this may be impossible at present. Over the actions of the executive body in which the power is placed the courts should possess merely a power of review analogous to that obtaining in connection with the work of the interstate commerce commission at present. To confer this power would not be a leap in the dark; it would merely be to carry still further the theory of effective governmental control of corporations which was responsible for the creation of the interstate commerce commission and for the enlargement of its powers; and for the creation of the bureau of corporations.

The interstate commerce legislation has worked admirably. It has benefited the public; it has benefited honestly-managed and wisely-conducted railroads; and in spite of the fact that the business of the country has enormously increased the value of this federal legislation has been shown by the way in which it has enabled the federal government to correct the most pronounced of the great and varied abuses which existed in the business world twenty years ago—while the many abuses that still remain emphasize the need of further and more thoroughgoing legislation. Similarly the bureau of corporations has amply justified its creation.

In other words, it is clear that the principles employed to remedy the great evils in the business world have worked well, and they can now be employed to correct the evils that further commercial growth has brought more prominently to the surface. The powers and scope of the interstate commerce commission, and of any similar body—such as the bureau of corporations—which has to deal with the matter in hand, should be greatly enlarged, so as to meet the requirements of the present day.

DUAL CONTROL IMPOSSIBLE

Nation, Not State, Can Act Wisely and Effectively.

The decisions of the supreme court in the Minnesota and North Carolina cases illustrate how impossible is a dual control of national commerce. The states can not control it. All they can do is to control intrastate commerce, and this now forms but a small fraction of the commerce carried by the railroads through each state. Actual experience has shown that the effort at state control is sure to be nullified in one way or another sooner or later. The nation alone can act with effectiveness and wisdom; it should have the control both of the business and of the agent by which the business is done; for any attempt to separate this control must result in grotesque absurdity.

This means that we must rely upon national legislation to prevent the commercial abuses that now exist and the others that are sure to arise unless some efficient governmental body has adequate power of control over them. At present the failure of the congress to utilize and exercise the great powers conferred upon it as regards interstate commerce leaves this commerce to be regulated, not by the state nor yet by the congress, but by the occasional and necessarily inadequate and one-sided action of the federal judiciary.

However upright and able a court it is can not act constructively; it can only act negatively or destructively, as an agency of government; and this means that the courts are and must always be unable to deal effectively with a problem like the present, which requires constructive action. A court

can decide what is faulty, but it has no power to make better what it thus finds to be faulty. There should be an efficient executive body created with power enough to correct abuses and scope enough to work out the complex problems that this great country has developed. It is not sufficient objection to say that such a body may be guilty of unwisdom or of abuses. Any governmental body, whether a court or a commission; whether a court or legislative or judicial; if given power enough to enable it to do effective work for good must also inevitably receive enough power to make it possibly effective for evil.

Therefore it is clear that unless a national incorporation law can be forthwith enacted some body or bodies in the executive service should be given power to pass upon any combination or agreement in relation to interstate commerce, and every such combination or agreement not thus approved should be treated as in violation of law and prosecuted accordingly. The issuance of the securities of any combination doing interstate business should be under supervision of the national government.

AS TO LABOR IMMUNITY

President Gives His Views on That Important Subject.

A strong effort has been made to have labor organizations completely exempted from any of the operations of this law, whether or not their acts are in restraint of trade. Such exemption would in all probability make the bill unconstitutional, and the legislature has no more right to pass a bill without regard to whether it is constitutional than the courts have lightly to declare unconstitutional a law which the legislature has so openly enacted. The responsibility is as great on the one side as on the other, and an abuse of power by the legislature in one direction is equally to be condemned with an abuse of power by the courts in the other direction.

It is not possible wholly to exempt labor organizations from the workings of this law, and they who insist upon totally exempting them are merely providing that their status shall be kept wholly unchanged, and that they shall continue to be exposed to the action which they now dread. Obviously an organization not formed for profit should not be required to furnish statistics in any way as complete as those furnished by organizations for profit. Moreover, so far as labor is engaged in production only its claims to be exempted from the anti-trust law are sound. This would substantially cover the right of laborers to combine, to strike peaceably, and to enter into trade agreements with the employers.

But when labor undertakes in a wrongful manner to prevent the distribution and sale of the products of labor, as by certain forms of the boycott, it has left the field of production, and its action may plainly be in restraint of trade, and must necessarily be subject to inquiry exactly as in the case of any other combination for the same purpose, so as to determine whether such action is contrary to sound public policy. The earliest encouragement should be given to the wage workers to form labor unions and to enter into agreements with their employers; and their rights to strike, so long as they act peaceably, must be preserved. But we should sanction neither a boycott nor a blacklist which would be illegal at common law.

The measures I advocate are in the interest both of decent corporations and of law-abiding labor unions. They are, moreover, pre-eminently in the interest of the public, for in my judgment the American people have definitely made up their minds that the days of the reign of the great law-defying and law-evading corporations are over, and that from this time on the mighty organizations of capital necessary for the transaction of business under modern conditions, while encouraged so long as they act honestly and in the interest of the general public, are to be subjected to careful supervision and regulation of a kind so effective as to insure their acting in the interest of the people as a whole.

ARE SUCH LAWS NEEDED?

President Says Yes, and Gives an Example of Sinsuosity.

Allegations are often made to the effect that there is no real need for these laws looking to the more effective control of the great corporations, upon the ground that they will do their work well without such control. I call your attention to the accompanying copy of a report just submitted by Mr. Nathan Matthews, chairman of the finance commission, to the mayor and city council of Boston, relating to certain evil practices of various corporations which have been offenders for furnishing the city with iron and steel. The report shows that there have been extensive combinations formed among the various corporations which have business with the city of Boston, including, for instance, a carefully planned combination embracing practically all the firms and corporations in the United States engaged in manufacturing or furnishing structural steel for use in any part of New England. It affected the states, the cities and towns, the railroads and street railways, and generally all persons having occasion to use iron or steel for any purpose in that section of the country. As regards the city of Boston the combination resulted in parceling out the work by collusive bids,

plainly dishonest and supported by false affirmations.

In its conclusion the commission recommends as follows: "Comment on the moral meaning of these methods and transactions would seem superfluous, but as they were defended at the public hearings of the commission and asserted to be common and entirely proper incidents of business life, and as these practices have been freely resorted to by some of the largest industrial corporations that the world has ever known, the commission deems it proper to record its own opinion. The commission dislikes to believe that these practices are, as alleged, established by the general custom of the business community; and this defense itself, if unchallenged, amounts to a grave accusation against the honesty of present business methods.

"To answer an invitation for public or private work by sending in what purports to be genuine bids, but what in reality are collusive figures purposely made higher than the bid which is known will be submitted by one of the supposed competitors, is an act of plain dishonesty. To support these misrepresentations by false affirmations in writing that bids are submitted in good faith and without fraud, collusion, or connection with any other bidder, is a positive and deliberate fraud. The successful bidder in the competition is guilty of obtaining money by false pretenses; and the others have made themselves parties to a conspiracy clearly unlawful at the common law.

"Where, as in the case of the 'Boston agreement,' a number of the most important manufacturers and dealers in structural steel in this country, including the American Bridge company, one of the constituent members of the United States Steel Corporation, have combined together for the purpose of raising prices by means of collusive bids and false representations their conduct is not only repugnant to common honesty, but is plainly obnoxious to the federal statute known as the Sherman or anti-trust law.

"The commission believes that an example should be made of these men, and that the members of the 'Boston agreement,' or at least all those who, in October and November, 1905, entered in the fraudulent competitions for the Cove street draw span and the Brookline street bridge, should be brought before a federal grand jury for violation of the act of congress of July 2, 1890. The three years' limitation for participation in these transactions has not yet elapsed, and the evidence obtained by the commission is so complete that there should be no difficulty in the government securing a conviction in this case."

I have submitted this report to the department of justice for thorough investigation and for action, if action shall prove practicable. Surely such a state of affairs as that above set forth emphasizes the need of further federal legislation, not merely because of the material benefits such legislation will secure, but above all because this federal action should be part, and a large part, of the campaign to waken our people as a whole to a lively and effective condemnation of the low standard of morality implied in such conduct on the part of great business concerns.

The first duty of every man is to provide a livelihood for himself and for those dependent upon him. It is from every standpoint desirable that each of our citizens should endeavor by hard work and honorable methods to secure for him and his such a competency as will carry with it the opportunity to enjoy in reasonable fashion the comforts and refinements of life; and furthermore, the man of great business ability who obtains a fortune in upright fashion inevitably in so doing confers a benefit upon the community as a whole and is entitled to reward, to respect, and to admiration.

But among the many kinds of evil—social, industrial, and political—which it is our duty as a nation sternly to combat, there is none at the same time more base and more dangerous than the greed which treats the plain and simple rules of honesty with cynical contempt if they interfere with making a profit. And as a nation we can not be held guiltless if we condone such action.

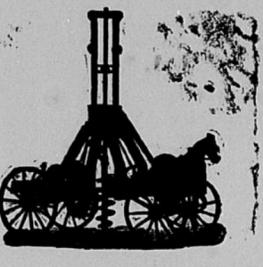
The man who preaches hatred of wealth honestly acquired, who incites envy and jealousy and slanderous ill-will toward those of his fellows who by thrift, energy and industry have become men of means, is a menace to the community. But his counterpart in evil is to be found in that particular kind of multimillionaire who is almost the least enviable, and is certainly one of the least admirable, of all our citizens—a man of whom it has been well said that his face has grown hard and cruel while his body has grown soft; whose son is a fool and his daughter a foreign princess; whose nominal pleasures are at best those of a tasteless and extravagant luxury, and whose real delight, whose real life work, is the accumulation and use of power in its most sordid and least elevating form.

In the chaos of an absolutely unrestricted commercial individualism under modern conditions this is a type that becomes prominent as inevitably as the marauder baron became prominent in the physical chaos of the dark ages. We are striving for legislation to minimize the abuses which give this type its flourishing prominence, partly for the sake of what can be accomplished by the legislation itself, and partly because the legislation marks our participation in a great and stern moral movement to bring our ideals and our conduct into measurable accord.

THEODORE ROOSEVELT.
The White House, April 27, 1908.

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NOTICE IN PROBATE
STATE OF IOWA - In Probate
Crawford County
In the matter of the estate of Francis Hughes late of Crawford County, deceased.
Notice of Appointment of Executor
To Whom It May Concern:
You are hereby notified that on the 8th day of April 1908 the undersigned was duly appointed Executor of the above entitled estate and all creditors of said estate are notified to file their claims in the office of the Clerk of the District Court, in and for Crawford County, Iowa, within one year from the date of this notice, according to law, and have the same allowed and ordered paid by the said court, or stand forever barred therefrom.
Dated April 16 1908.
P. E. C. LALLY, Executor of the Estate of Francis Hughes.
17-3

NOTICE IN PROBATE.
STATE OF IOWA - In Probate
Crawford County
In the matter of the estate of Gustav Girard, late of Crawford County, deceased.
Notice of Appointment of Administrator.
To Whom It May Concern:
You are hereby notified that on the 6th day of Jan. 1908 the undersigned was duly appointed Administrator of the above entitled estate and all creditors of said estate are notified to file their claims in the office of the Clerk of the District Court, in and for Crawford County, Iowa, within one year from the date of this notice, according to law, and have the same allowed and ordered paid by the said court, or stand forever barred therefrom.
Dated January 6th, 1908.
EVA GIRARD, Administrator.
Conner & Lally, Attorneys for Administrator. 17-3t

NOTICE IN PROBATE
STATE OF IOWA - In Probate
Crawford County
In the matter of the estate of Mariona Van Tuil late of Crawford County, deceased.
Notice of Appointment of Executors.
To Whom It May Concern:
You are hereby notified that on the 7th day of April 1908, the undersigned were duly appointed Executors of the above entitled estate, and all creditors of said estate are notified to file their claims in the office of the Clerk of the District Court, in and for Crawford County, Iowa, within one year from the date of this notice, according to law, and have the same allowed and ordered paid by the said court, or stand forever barred therefrom.
Dated April 18th 1908.
E. F. SIBBERT, HENRY SCHMADKE.
Harding & Kahler, Attorneys for Executors. 17-3t

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Physician and Surgeon,
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