MESSAGE IS CONSERVATIVE

Communication to Congress Aims to Please All Classes.

Wants Financial Legislation and Favors Changes in Railroad Law-Investigate Child Labor Conditions-Protect Labor in Employ of Manufacturer-Has Sobered Down.

No nation has greater resources than ours, and I think it can be truthfully said that the citizens of no nation possess greater en-ergy and industrial ability. In no nation are the fundamental business conditions sounder than in ours at this very moment; and it is foolish, when such is the case, for people to hoard money instead of keeping it in sound banks; for it is such hoarding that is the immediate occasion of money stringency Moreover, as a rule, the business of our people is conducted with honesty and probity, and this applies alike to farms and probity, and this applies alike to farms and factories, to railroads and banks, to all our legitimate commercial enterprises.

In the effort to punisa the guilty it is oth wise and proper to endeavor so far as asible to minimize the distress of those who have been misled by the guilty. Yet it is not possible to refrain because of such distress from striving to put an end to the misdeeds that are the ultimate causes of the suffering, and, as a means to this end, where possible to pulsh those responsible for them. There may be honest differences of opinion as to many Governmental policies; but surely there can be no such differences as to the need of unfinching perseverance in the war against successful dishonesty.

INTERSTATE COMMERCE.

No small part of the trouble that we have comes from carrying to an extreme the National virtue of self-reliance, of inde-pendence in initiative and action. It is wise to conserve this virtue and to provide for the fullest vessels. for its fullest exercise, compatible with seeto ris tallest exercise, compatible with see-ing that liberty does not become a liberty to wrong others. Unfortunately, this is the kind of liberty that the lack of all effective regulation inevitably breeds. The founders of the Constitution provided that the Na-tional Government should have complete and sole control of interstate commerce. There was then practically no interstate There was then practically no interstate business save such as was conducted by water, and this the National Government at once proceeded to regulate in thoroughgoing and effective fashion. Conditions have now and effective fashion. Conditions have now so wholly changed that the interstate com-imerce by water is insignificant compared with the amount that goes by land, and ai-most all big business concerns are now en-gaged in interstate commerce. As a result, it can be but partially and imperfectly controlled or regulated by the action of any

one of the several states; such action in-evitably tending to be either too drastic or eise too lax, and in either case ineffective for purposes of justice. Only the National Government can in thoroughgoing fashion exercise the needed control. This does not mean that there should be any extension of Federal authority, for such authority al-ready exists under the Constitution in amplest and most far-reaching form; but it does mean that there should be an extension of Federal activity. This is not ad-vocating centralization. It is merely look-ing facts in the face, and realizing that centralization in business has already come centralization in business has already come and cannot be avoided or undone, and that the public at large can only protect itself from certain evil effects of this business centralization by providing better methods for the exercise of control through the authority already centralized in the National Government by the Constitution Itself. To confer upon the National Government,

in connection with the amendment I advovision over big business concerns engaged would benefit then as it has benefitted the National banks. In the recent business crisis it is noteworthy that the institutions which failed were in-efficient which were not under the supervision and control of the National Govern Those which were under National ment control stood the test.

dustrial controversies as are of sufficient magnitude and of sufficient concern to the

ine protective system and any enert to uproot it could not but cause widespread in-dustrial disaster. In other words, the prin-ciple of the present tariff law could not with wisdom be changed. But in a country of such phenomenal growth as ours it is prob-ably well that every dozen years or so the tariff laws should be carefily scrutinized so as to see that no excessive or improper benefits are conferred thereby, that proper revenue is provided and that our foreign trade is encouraged. There must always be as a minimum a tariff which will not only magnitude and of sufficient concern to the people of the country as a whole to warrant the Federai Government in taking action. **Capital and Labor.** It is certain that for some time to come there will be a constant increase absolutely, and perhaps relatively, of those among our citizens who dwell in cities or towns of some size and who work for wages. This means that there will be an ever increasing need to consider the problems inseparable from a great industrial civilization. Where an im-mense and complex business, especially in those branches relating to manufacture and transporation, is transacted by a large numrevenue is provided and that our foreign trade is encouraged. There must always be as a minimum a tariff which will not only allow for the collection of an ample revenue but which will at least make good the dif-ference in cost of production here and abroad; that is, the difference in the labor cost here and abroad, for the well-being of the wage-worker must ever be a cardinal point of American policy. The question should be approached purely from a busi-ness standpoint; both the time and the manner of the change being such as to arouse the minimum of agitation and dis-turbance in the business world, and to give i the least play for selfish and fac-tional motives. The sole consideration should be to see that the sum total of changes represents the public good. This means that the subject cannot with wisdom be dealt with in the year preceding a Presidential election, because as a matter i transporation, is transacted by a large num-ber of capitalists who employ a very much larger number of wage-earners, the former tend more and more to the former tend more and more to combine into corporations and the lat-ter into unions. The relations of the capitalist and wage-worker to one an-other, and of each to the general public, are not always easy to adjust; and to put them and keep them on a satisfactory basis is one of the most important and one of the most delicate tasks before our whole civilization. Much of the work for the accomplishment of this end must be done by the individuals concerned themselves, whether singly or in combination; and the one fundamental fact that must never be lost track of is that the Presidential election, because as a matter of fact experience has conclusively shown that at such a time it is impossible to get men to treat it from the standpoint of the public good. In my judgment the wise time character of the average man, whether he be a man of means or a man who works with his hands, is the most important factor with his hands, is the most important factor in solving the problem aright. But it is al-most equally important to remember that without good laws it is also impossible to reach the proper solution. It is idle to hold that without good laws evils such as child labor, as the over-working of women, as the failure to protect employes from loss of life or limb, can be effectively reached, any more than the evils of rebates and stock-watering can be reached without good laws. to deal with the matter is immediately after INCOME AND INHERITANCE TAX. When our tax laws are revised the question of an income tax and an inheritance tax should receive the careful attention of our legislators. In my judgment both of these taxes should be part of our system of Fed-eral taxation. I speak diffidently about the income tax because one scheme for an in-come tax was declared unconstitutional by

more than the evils of rehates and stock-watering can be reached without good laws. To fail to stop these practices by legislation means to force honest men into them, be-cause otherwise the dishonest who surely will take advantage of them will have every-thing their own way. If the states will cor-rect these evils, well and good; but the Nation must stand ready to aid them. Farmers and Ware-Workers.

the Supreme Court: while in addition it is a difficult tax to administer in its practical working, and great care would have to be exercised to see that it was not evaded by the very men whom it was most desirable to have taxed, for if so evaded it would, of course, be worse than no tax at all; as the Farmers and Wage-Workers. When the Department of Agriculture was bounded there was much sneering as to its course, be worse than no tax at all; as the least desirable of all taxes is the tax which bears heavily upon the honest as com-pared with the dishonest man. Neverthe-less, a graduated income tax of the proper usefulness. No department of the Govern ment, however, has more emphatically vindi-cated its usefulness, and none save the Postoffice Department comes so continually type would be a desirable feature of Federal taxation, and it is to be hoped that one may be devised which the Supreme Court will declars constitutional. The inheritance tax, Postofice Department comes so continually and intimately into touch with the people. The two cliizens whose welfare is in the aggregate most vith to the welfare of the Nation, and therefore to the welfare of all other citizens, are the wage-worker who does manual labor and the tiller of the soil, the farmer. There are, of course, kinds of labor where the work must be purely mental, and there are other kinds of labor where declare constitutional. The inheritance tax, however, is both a far better method of tax-ation and far more important for the pur-pose of having the fortunes of the country bear in proportion to their increase in size a corresponding increase and burden of tax-ation. The Government has the absolute right to decide as to the terms upon which a man shall receive a bequest or devise from and there are other kinds of labor where, under existing conditions, very little de-mand indeed is made upon the mind, though Fight to decide as to the terms upon which a man shall receive a bequest or devise from another, and this point in the devolution of property is especially appropriate for the imposition of a tax. Laws imposing such taxes have repeatedly been placed upon the National statute books and as repeatedly declared constitutional by the courts; and these laws contained the progressive princi-le that is after a certain amount is I am glad to say that the proportion of mer engaged in this kind of work is diminishing But in any community with the solid. But in any community with the solid, healthy qualities which make up a really great nation the bulk of the people shauld do work which calls for the exercise of both body and mind. Progress can not perma-nently exist in the abandonment of physi-cal labor, but in the development of physi-cal labor, so that it shall represent more and more the work of the trained mind in ple, that is, after a certain amount is reached the bequest or gift, in life or death is increasingly burdened and the rate of and more the work of the trained mind in axation is increased in proportion to the emoteness of blood of the man receiving the trained body. Our school system is gravely defective in

Our school system is gravely defective in so far as it puts a premium upon mere literary training and tends therefore to train the boy away from the farm and the workshop. Nothing is more needed than the best type of industrial school, the school for mechanical industries in the city, the school for practically teaching agricul-ture in the country. The calling of the skilled tiller of the soil, the calling of the skilled mechanic, should alike be recor-nized as professions, just as emphatically as the callings of lawyer, doctor, merchani A few years ago there was loud com-plaint that the law could not be invoked against wealthy offenders. There is no such against wealthy offenders. There is no such complaint now. The course of the De-partment of Justice during the last few years has been such as to make it evident that no man stands above the law, that no corporation is so wealthy that it cannot the held to account. The Department of Justice has been as prompt to proceed against the wealthiest malefactor whose crime was one of greed and cunning as to proceed against the agitator who incites to brutal violence. Everything that can be done under the existing law, and with the existing state of public opinion, which so as the callings of lawyer, doctor, merchant or clerk. The schools should recognize this fact and it should equally be recognized in popular opinion. The young man who has the farsightedness and courage to recognize the parsigneeness and courage to recognize it and to get over the idea that it makes a difference whether what he earns is called salary or wages, and who refuses to enter the crowded field of the so-called profes-cions, and takes to constructive industry in-stead, is reasonably sure of an ample re-ward in earnings in health in opnortunity existing state of public opinion, which so profoundly influences both the courts and juries, has been done. But the laws them-Important point; they should be made more definite, so that no honest man can be led unwittingly to break them, and so that ward in earnings, in health, in opportunity to marry early, and to establish a home with a fair amount of freedom from worry. It should be one of our prime objects to put the real wrongdoer can be readily punished.

both the farmer and the mechanic on a higher plane of efficiency and reward, so as to increase their effectiveness in the eco-nomic world, and therefore the dignity. Instances of abuse in the granting of in functions in labor disputes continue to oc-cur, and the resentment in the minds of those who feel that their rights are being the requirement and therefore the dignity, the requirement of their positions in the social world.

carried to an excess it becomes foolishness movement of passenses between Hawall and exacted, without just compensation, of emcarried to an excess it becomes foolishness. We are prone to speak of the resources of this country as inexhaustible; this is not we. The mineral wealth of the couptry, the coal, iron, oil, gas, and the like, does not reproduce itself, and therefore is certain to be exhausted ultimately, and wasteful-ness in dealing with it today means that our descendants will feel the exhaustion a generation or two before they otherwise would. But there are certain other forms of waste which could be entirely stopped--the waste of soil by washing, for instance, which is among the most dangerous of all wastes now in progress in the United States, is easily preventable, so that this present wastes now in progress in the United States, is easily preventable, so that this present enormous loss of fertility is entirely un-becessary. The preservation or replacement of the forests is one of the most important means of preventing this loss. We have made a beginning in forest preservation, but it is only a beginning. At present lumber-ing is the fourth greatest industry in the United States; and yet, so rapid has been the rate of exhaustion of timber in the United States in the past, and so rapidly is the remainder being exhausted, that the coun-try is unquestionably on the verge of a remainder being exhausted, that the coun-try is unquestionably on the verge of a timber famine which will be felt in every household in the land. There has already been a rise in the price of lumber, but there is certain to be a more rapid and heavier rise in the future. The present annual consumption of lum-ber is certainly three times as great as the annual growth; and if the consumption and wrowth continue unchanged presciently all

growth continue unchanged, practically all our lumber will be exhausted in another generation, while long before the limit to complete exhaustion is reached the growing scarcity will make itself feit in many blight-ing ways upon our National welfare. About 20 per cent of our forest territory is now reserved in National forests; but these do not include the most valuable timber lands, and in any event the proportion is too small to expect that the reserves can accomplish more than a mitigation of the trouble which is ahead for the Nation. Far more drastic action is needed. Forests can be lumbered to as to give to the public the full use of their mercantile timber without the slight-st detriment to the forest, any more than

It is a detriment to a farm to furnish a barvest; so that there is no parallel between forests and mines, which can only be com-pletely used by exhaustion. But forests, if used as all our forests have been used in the past and as most of them are still used. will be either wholly destroyed, or so dam-ged that many decades have to pass before flective use can be made of them again. All these facts are so obvious that it is extra-ordinary that it should be necessary to reor course to check the waste of timber

Of course to check the waste of timber means that there must be on the part of the public the acceptance of a temporary re-striction in the Mavish use of the timber, in order to prevent the total loss of this use in the future. There are plenty of men in public and private life who actually advo-cate the continuance of the present system of unchecked and wasteful extravagance, using as an argument the fact that to check it will of course mean interference with the ease and comfort of certain people who now get lumber at less cost than they ought to pay, at the expense of the future generapay, at the expense of the future genera-tions. Some of these persons actually de-mand that the present forest reserves be thrown open to destruction, because, for-sooth, they think that thereby the price of iumber could be put down again for two or three or more years. Their attitude is pre-cisely like that of an agitator protesting against the outlay of money by farmers on manure and in taking care of their farms

generally. MINERAL LANDS. MINERAL LANDS. In the eastern United States the mineral fuels have already passed into the hands of large private owners, and those of the West are rapidly following. It is obvious that these fuels should be conserved and not wasted, and it would be well to protect the people against unjust and extortionate prices, so far as that can still be done. What has been accommished in the great oil fields

movement of parsengess between Hawail and exacted, without just compensation, of empirical proper facilities in the way of shipping between Hawail and the mainiand, then the largest shipping laws should be so far related to provent Hawail suffering as it is now suffering. I again callyour attention the largest deep-water vessels and of suitably fortifying the island. The Scientary of War nas gone to the Philippines. On his report on the islands. I again recommend that the rights of citi

hers so small a regular army as has ours. Never at any time in our history has this Nation suffered from militarism or heen in the remotest danger of suffering from mili-Nation suffered from militarism or been in the remotest danger of suffering from mili-tarism. Never at any time of our history has the regular Army been of a size which caused the slightest appreciable tax upon the taxpaying clizens of the Nation. Al-most always it has been too small in size and underpaid. Never in our entire history has the Nation suffered in the least particu-liar because too much care has been given to the target more spent upon it, or because it has been too large. But again and again we have suffered because enough care has not been given to it, because it has been too small, because there has not been sufficient preparation in advance for possible war. Every foreign war in which we have em-gaged has cost us many times the amount, which if wisely expended during the preced-ing years of peace on the regular Army.

propie against injust and exteriorinate commission, show in that one year a total prices so far as that can still be done. What has been accomplished in the great of fields of 10,032 casualities to persons, of which has been accomplished in the great of fields of 10,032 casualities to persons, of which 10,015 represent the number of persons killed. In that wondeful hive of human activity, Pittsburg, the deaths due to industriate in the country, therefore, it is safe to say that the deaths due to industriate in all our foreign wars uttrial accidents aggregate in the neighbortions; or else, if the Congress will not adopt this method, the coal deposits should be sold under limitations, to conserve them as terry trivial by comparison. The number of public utilities, the right to mine coal being separated from the title to the soll. The regulations should permit coal lands to be worked in sufficient quantity by the severat corporations. The present limitations have been absurd, excessive and serve no useful turpurpose, and often render it necessary that there should be either fraud or else abandonment of the work of getting out the coal.

The Secretary of War has gone to the Philippine. On his return I shall submit to you his report on the return I shall submit to you his report on the islands. I again recommend that the rights of citized informal inquiries had developed that a recent of the shall submit to you his report on the people of Portoliced informal inquiries had developed that a secards nave in which this country had any interest, it was hopeless to try to devise any plan for which there was the slightest possibility of securing assent of the nations gathered at The harters pertaining to mining and particularly to the accidents and dangers of the industry. If this connot now be done, at least additional appropriations should be given which would have had the assent of more training conditions, for the prevention of frudulent mining schemes, for carrying on the work of mapping the mining disticut, for studying methods for minimizing the accidents and dangers in the industry; in short to ald in all proper ways the development of the gining industry. I call your expecial attention to the unstrained to stop the upbuilding of our Navy. To build one hattleship of the best and moss advanced type a year would barely keep our fleet up to its present force. This is not now, but there never has been any other ation, not even china, which for sear the resist of mining stations, the celliers and supply shigh that they need. We are extremely dedicent in coaling stations, the celliers and supply shigh that they need. We are extermely dedicent in coaling stations and docks on the Pacific sand this deficiency should not longer be permitted to exist. Plenty of topedo boals and destroyere should be uncided for all our eresteat har. Plenty of torpedo boats and destroyers should be built. Both on the Atlantic and Pacific coasts fortifications of the best type should be provided for all our greatest har-

bors.

raged has cost us many times the amount, which if wisely expended during the preced-ing years of peace on the regular Army, would have insured the war ending in but a fraction of the time and but for a fraction of the cost that was actually the case. As a Nation we have always been shortsighted in providing for the efficiency of the Army in time of peace. It is nobody's especial in-terest to make such provision and no on looks ahead to war at any period, no mat-ter how remote, as being a serious posi-tility; while an improper economy, of rait tooks ahead to war at any period, no mat-ter how remote, as being a serious posi-tility; while an improper economy, of rait tooks ahead to war at any period at the ex-pense of the Army with the certainty the straits of Magelian to visit the Pacific Coast. Sixteen battleefiers and two other battle-eight armored cruisers and two other battle-count therefor, but that the price will be paid by the unfortunate persons who hap-pen to be in office when a war does actually come. Tudustry is always necessary, just as war is sometimes necessary. Each has its price and industry in the United States now ex-acts, and has always exacted, a far heavier toll of death than all our wars put to-sether. The statistics of the railroads of this country for the year ended June 30, 1906, the last contained in the annual sta-tistical report of the Interstate Commerce Commission, show in that one year a tof which 10.61s represent the number of persons, of which 10.61s represent the number of persons, of which 10.61s represent the number of persons willed. In that wonderful hive of human activity, Pittsburg the deaths due to indu-trial accidents in 1006 were 919, all the of have to be met if war existed. in which a navy can ever be made efficient is by practice at sea, under all the conditions which would have to be met if war existed. If all that ought to be done cannot now be done, at least let a beginning be made. In my last three annual messages, and in a special message to the last Congress the necessity for legislation that will cause of-ficers of the line of the Navy to reach the grades of captain and rear-admiral at less advanced ages and which will cause them to have more sea training and experience in the highly responsible duties of those grades, so that they may become thoroughly skillful in handling battleships, divisions. skillful in handling battleships, divisions, squadrons and fleets in action, has been fully explained and urgently recommended. Upon this subject the Secretary of the Navy

PURE FOOD LAW.

Incidentally, in the passage of the pure-food law the action of the various state food and dairy commissioners showed in striking fashion how much good for the whole people results from the hearty co-operation of the Federal and state officials in securing a given reform. It is primarily to the action of the Poderal and state officials to the action of these state commissioners that we owe the enactment of this law: for they aroused the people, first to demand the enactment and enforcement of state laws on the subject, and then the enactment of the Federal law, without which the state laws were largely ineffective. There must be the closest co-operation be-tween the National and state governments in administering these laws.

CURRENCY.

In my message to Congress a year ago I spoke as follows on the currency: I sspecially call your attention to the con-dition of our currency laws. The National bank act has ably served a great purpose in dition of our currency laws. The National bank act has ably served a great purpose in alding the enormous business development of the country, and within ten years there has been an increase in circulation per cap-lia from \$21.41 to \$33.08. For several years evidence has been accumulating that addi-tional legislation is needed. The recurrence of each crop season emphasizes the defects of the present laws. There must soon be a revision of them, because to leave them as they are means to incur liability of business disaster. Since your body adjourned there has been a fluctuation in the interest on call money from 2 per cent to 30 per cent, and the fluctuation was even greater during the preceding six months. The Secretary of the Treasury had to step in and by wise action put a stop to the most violent period of os-ciliation. Even worse than such fluctuation is the advance in commercial interests suffer during each crop period. Excessive rates for call money in New York attract money from the interior banks into the spec-ulative field. This depletes the fund that would otherwise be available for commercial use, and commercial borrowers are forced to pay abnormal rates, so that each Fall a targ, in the shape of increased interest charges, is placed on the whole commerce of the country. The mere statement of these facts shows

charges, is placed on the whole commerce of the country. The mere statement of these facts shows that our present system is seriously defec-tive. There is need of a change. Unfor-tive the second of a change. Unfor-tive the second of a change. Unfor-tive the second of a charge the proposed changes must be ruled from consideration becauge they are complicated, are not easy of comprehension and tend to disturb exist ing rights and interests. We must also rule out any plan which would materially impair the value of the United States 2-per cent bonds now pledged to secure circulation, the issue of which was made under conditions pocularly creditable to the Treasury. I do not press any especial plan. Various plans have recently been proposed by expert com-mittees of bankers. Among the plans which ere possibly feasible and which certainly ehould receive your consideration is that re-pared by brought to your attention by the present Secretary of the Treasury, the de-mential features of which have been ap-proved by many prominent bankers and busa-iness men. According to this plan Nationa banks should be permitted to issue a speci-fied proportion of their capital in notes of a given kind, the issue to be faxed at so-not wanted in legitimate trade. This plan would not permit the issue to be faxed at so-its energency presented by times of strin-grower and actional profits, but to meet the areagency presented by times of strin-grower and actional profits, but to meet the areagency presented by times of strin-grower and actional profits, but to meet the areagency presented by times of strin-grower a greater elasticity in our currency to the agent attention to this matter. We provided, of course, that we recognize the country. mere statement of these facts shows

guaranty, and upon conditions carefully pre-cribed by the Government. Such emergency scribed by the Government. Such emergency issue must be based on adequate securities approved by the Government and must be issued under a heavy tax. This would per-mit currency being issued when the demand for it was urgent, while securing its retire-ment as the demand fell off. It is worth while investigating to determine whether officers and directors of National banks should ever be allowed to loan to themalyes and directors of National Danks should ever be allowed to loan to themselves. Trust companies should be subject to the same supervision as banks; legislation to this effect should be enacted for the Dis-trict of Columbia and the Territories.

THE TARIFF. This country is definitely committed to

avaded and their liberty of actic peech unwarrantably restrained action and o invaded and their liberty of action and of speech unwarrantably restrained continues likewise to grow. Much of the attack on the use of the process of injunction is wholly without warrant; but I am constrained to express the belief that for some of it there is warrant. This question is becoming more and more one of prime importance, and unless the courts will themselves deal with it in effective manner, it is certain ultimately to demand some form of legis-lative action. It would be most unfortun-

ENFORCEMENT OF THE LAW.

selves need strengthening in more than one

INJUNCTIONS.

he bequest.

uitimately to demand some form of legis-lative action. It would be most unfortun-ate for our social welfare if we should permit many honest and law-abiding citi-zens to feel that they had just cause for regarding our courts with hostility. I earnestly commend to the attention of the Congress this matter, so that some way may be devised which will limit the abuse may be devised which will limit the abuse of injunctions and protect those rights which from time to time it unwarrantably invades. Moreover, discontent is often expressed with the use of the process of injunction by th-courts, not only in labor disputes, but where state laws are concerned. I refrain from discussion of this question as I am informed that it will score proceed to consideration that it will soon receive the consideration of the Supreme Court.

QUESTIONS AFFECTING LABOR.

The National Government should be a model employer. It should demand the highest quality of service from each of its employes and it should care for all of them properly in return. Congress should adopt legislation providing limited but defithem properly in return. Congress should adopt lecisiation providing limited but defi-nite compensation for accidents to all work-men within the scope of the Federal powea, including employes of navy-yards and arsenals. In other words, a model em-ployers' liability act. far-reaching and thoroughgoing, should be enacted which should apply to all positions, public and private, over which the National Govern-ment has jurisdiction. The number of acci-dents to wage-workers, including those that are preventable and those that are not, has become appaling in the mechanical, manu-facturing, and transportation operations of the day. It works grim hardship to the ordinary wage-worker and his family to have the effect of such an accident fail solely upon him; and, on the other hand, there only by inciting men who may or may not have been wronged to undortake suits for negligence. As a matter of fact a sult for negligence is generally an inadequate remedy for the employer. The law should be made such that the payment for accidents by the em-ployer would be automatic instead of being a matter for lawsuits. Workmen should for all accidents in industry irrespective of negligence. The employer is the agent of the public and on his own responsibility and for his own profit he serves the public. When he starts in motion agencies which the negligence the should take ail

the emergency presented by times of strin-gency. Need for Immediate Action. I again urge on the Congress the need of immediate attention to this matter. We need a greater elasticity in our currency; provided, of course, that we recognize the even greater need of a safe and secure cur-rency. There must always be the most rigid examination by the National author-tites. Provision should be made for an emergency currency. The emergency issue should, of course, be made with an effective guaranty, and upon conditions carefully preby the Government, and the present law should be amended to embrace contracts on those public works which the present word-ing of the act has been construed to ex-clude. The general introduction of the eight-hour day should be the goal toward which we should steadily tend, and the Government should set the example in this respect respect.

Compulsory Investigation of Industrial

Disputes, Strikes and lockouts, with their attendant loss and suffering continue to increase. For the five years ending December 31, 1905, the the five years ending December 31, 1905, the number of strikes was greater than those in any previous ten years and was double the number in the preceding five years. These figures indicate the increasing need of providing some machinery to deal with this class of disturbances in the interest alike of the employer, the employe and the general public 1 renew my newlows around general public. I renew my previous recom-mendation that the Congress favorably con-sider the matter of creating the machinery for compulsory investigation of such in-

The grain-producing industry of the country, one of the most important in the United States, deserves special consider-ation at the hands of the Congress. Our grain is sold almost exclusively by grades. To secure satisfactory results in our home markets and to facilitate our trade abroad, these grades should approximate the high-est degree of uniformity and certainty. The present diverse methods of inspection and grading throughout the country under dif-ferent laws and boards, result in confu-sion and lack of uniformity, destroying that confidence which is necessary for health-ful trade. Complaints against the present methods have continued for years and they are growing in volume and intensity, not enly in this country but abroad. I there-fore suggest to the Congress the advis-ability of a National system of inspection and grading of grain entering into inter-state and foreign commerce as a remedy for the present evils. The grain-producing industry of for the present evils, RECLAMATION WORK.

Irrigation should be far more extensively developed than at present, not only in the states of the great plains and the Rocky Mountains, but in many others, as, for stance, in large portions of the South / lantic and Guif States, where it should hand in hand with the reclamation of swamp land. The Federal Government should seriously devote itself to this task, realizing that utilization of waterways and realizing that utilization of waterways and waterpower, forestry, irrigation and the re-clamation of lands threatened with overflow, are all interdependent parts of the same problem. The work of the Reclamation Service in developing the larger opportuni-ties of the western half of our country for irrigation is more important than almost any other movement. The constant purpose of the Government in connection with the Reclamation Service has been to use the water resources of the public lands for the ultimate greatest good of the greatest num-ber; in other words, to put upon the land ultimate greatest good of the greatest num-ber; in other words, to put upon the land permanent home-makers, to use and de-velop it for themselves and for their chi-dren and children's children. There has been, of course, opposition to this work; opposition from some interested men who desire to exhaust the land for their own immediate profit without regard to the wel-fare of the next generation, and opposition from honest and well-meaning men who did from honest and well-meaning men who did not fully understand the subject or who did not look far enough ahead. This opposition is, I think, dying away, and our people are understanding that it would be utterly understanding that it would be utterly wrong to allow a few individuals to ex-haust for their own temporary personal profit the resources which ought to be de-veloped through use so as to be conserved

veloped through use so as to be conserved for the permanent common advantage of the people as a whole. **PUBLIC LANDS.** The effort of the Government to deal with the public land has been based upon the same principle as that of the Reclamation Service. The land law system which was designed to meet the needs of the fertile and well-watered reclass of the stild. designed to meet the needs of the fertile and well-watered regions of the Middle West has largely broken down when ap-plied to the dryer regions of the great plains, the mountains and much of the Pacific Slope, where a farm of 100 acres is inadequate for self-support. In these regions the system lent itself to fraud, and much land passed out of the hands of the much land passed out of the hands of the Government without passing into the hands of the home-maker. The Department of the Interior and the Department of Justice joined in prosecuting the offenders against the law; and they have accomplished much, while where the administration of the law has been defective it has been changed. But the laws themselves are defective. Three years ago a public lands commission was appointed to scrutinize the law, and de-fects, and recommend a remedy. There exwas appointed to scrutinize the law, and de-fects, and recommend a remedy. Their ex-amination specifically showed the existence of great fraud upon the public domain, and their recommendations for changes in the law were made with the design of conserv-ing the natural resources of every part of the public lands by putting it to its best use.

Especial attention was called to the prevention of settlement by the passage of great areas of public land into the hands of a few men, and to the enormous waste caused by unrestricted grazing upon the open range. The recommendations of the Public Lands Commission are sound for they are especially in the interest of the they are especially in the interest of the actual home-maker; and where the small home-maker cannot at present utilize the land they provide that the Government shall keep control of it so that it may not be monopolized by a few men. The Congress has not yet acted upon these recommenda-tions; but they are so just and proper, so essential to our National weifare, that 1 feel confident. If the Congress will take time to consider them, that they will ulti-mately be adopted. mately be adopted.

mately be adopted. FORESTS. Optimism is a good characteristic, but if

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