

Roosevelt Favors Income And Inheritance Tax

(Continued from page 2.)

proceeding with wisdom and self-restraint and may make up their minds just how far they are willing to go in the matter, while only trained legislators can work out the project in necessary detail. But I feel that in the near future our national legislators should enact a law providing for a graduated inheritance tax by which a steadily increasing rate of duty should be put upon all moneys or other valuables coming by gift, bequest or devise to any individual or corporation. There can be no question of the ethical propriety of the government thus determining the conditions upon which any gift or inheritance should be received.

As the law now stands it is undoubtedly difficult to devise a national income tax which shall be constitutional. But whether it is absolutely impossible is another question, and if possible it is most certainly desirable. The first purely income tax law was passed by the congress in 1861, but the most important law dealing with the subject was that of 1894. This the court held to be unconstitutional.

The question is undoubtedly very intricate, delicate and troublesome. The decision of the court was only reached by one majority. It is the law of the land and of course is accepted as such and loyally obeyed by all good citizens. Nevertheless the hesitation evidently felt by the court as a whole in coming to a conclusion, when considered together with previous decisions on the subject, may perhaps indicate the possibility of devising a constitutional income tax law which shall substantially accomplish the results aimed at. The difficulty of amending the constitution is so great that only real necessity can justify a resort thereto. Every effort should be made in dealing with this subject, as with the subject of the proper control by the national government over the use of corporate wealth in interstate business, to devise legislation which without such action shall attain the desired end, but if this fails there will ultimately be no alternative to a constitutional amendment.

Industrial Training.
Our industrial development depends largely upon technical education, including in this term all industrial education, from that which fits a man to be a good mechanic, a good carpenter or blacksmith to that which fits a man to do the greatest engineering work. The skilled mechanic, the skilled workman, can best become such by technical industrial education. The far reaching usefulness of institutes of technology and schools of mines or of engineering is now universally acknowledged, and no less far reaching is the effect of a good building or mechanical trades school, a textile or watchmaking or engraving school.

In every possible way we should help the wage-worker who toils with his hands and who must live on a constantly increasing measure also toll with his brain. Under the constitution the national legislature can do but little of direct importance for his welfare where he is engaged in work which permits it to act under the interstate commerce clause of the constitution, and this is one reason why I so fervently hope that both the legislative and judicial branches of the government will construe this clause of the constitution in the broadest possible manner.

The Farmer.
The only other persons whose welfare is vital to the welfare of the whole country as is the welfare of the wage-workers are the tillers of the soil, the farmers.

Several factors merit co-operation in the improvement of the farmer's condition. He must have the chance to be educated in the widest possible sense, in the sense which keeps ever in view the intimate relationship between the theory of education and the facts of life.

Organization has become necessary in the business world, and it has accomplished much for good in the world

of labor. It is no less necessary for farmers. Such a movement as the grange movement is good in itself and is capable of a well nigh infinite further extension for good so long as it is kept to its own legitimate business. The benefits to be derived by the association of farmers for mutual advantage are partly economic and partly sociological.

Irrigation and Forest Preservation.
Much is now being done for the states of the Rocky mountains and great plains through the development of the national policy of irrigation and forest preservation. No government policy for the betterment of our internal conditions has been more fruitful of good than this.

Divorce Legislation.
I am well aware of how difficult it is to pass a constitutional amendment. Nevertheless, in my judgment, the whole question of marriage and divorce should be relegated to the authority of the national congress. The change would be good from every standpoint. In particular it would be good because it would confer on the congress the power at once to deal radically and efficiently with polygamy, and this should be done whether or not marriage and divorce are dealt with. It is neither safe nor proper to leave the question of polygamy to be dealt with by the several states.

Merchant Marine.
Let me once again call the attention of the congress to two subjects concerning which I have frequently before communicated with them. One is the question of developing American shipping. I trust that a law embodying in substance the views or a major part of the views expressed in the report on this subject laid before the house at its last session will be passed. It seems to me that the proposed measure is as nearly unobjectionable as any can be.

The Currency.
I especially call your attention to the second subject, the condition of our currency laws. The national bank act has ably served a great purpose in aiding the enormous business development of the country, and within ten years there has been an increase in circulation per capita from \$21.41 to \$33.08. For several years evidence has been accumulating that additional 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 oscillation.

I do not press any special plan. Various plans have recently been proposed by expert committees of bankers. Among the plans which are possibly feasible and which certainly should receive your consideration is that repeatedly brought to your attention by the present secretary of the treasury, the essential features of which have been approved by many prominent bankers and business men. According to this plan, national banks should be permitted to issue a specified proportion of their capital in notes of a given kind, the issue to be taxed at so high a rate as to drive the notes back when not wanted in legitimate trade. This plan would permit the issue of currency to give banks additional profits, but to meet the emergency presented by times of stringency.

I do not say that this is the right system. I only advance it to emphasize my belief that there is need for the adoption of some system which shall be automatic and open to all sound banks so as to avoid all possibility of discrimination and favoritism.

The law should be amended so as specifically to provide that the funds derived from customs duties may be treated by the secretary of the treasury as he treats funds obtained under the internal revenue laws. There should be a considerable increase in bills of small denominations. Permission should be given banks, if necessary under settled restrictions, to retire their circulation to a larger amount than three millions a month.

Our Outlying Possessions.
I most earnestly hope that the bill to provide a lower tariff for or else absolute free trade in Philippine products will become a law. No harm will come to any American industry, and, while there will be some small but real material benefit to the Filipinos, the main benefit will come by the showing made as to our purpose to do all in our power for their welfare.

Porto Rico Affairs.
American citizenship should be conferred on the citizens of Porto Rico. The harbor of San Juan, in Porto Rico should be dredged and improved. The expenses of the federal court of Porto Rico should be met from the federal treasury.

Hawaii.
The needs of Hawaii are peculiar. Every aid should be given the islands, and our efforts should be unceasing to develop them along the lines of a community of small freeholders, not of great planters with coolly tilled estates.

Alaska.
Alaska's needs have been partially met, but there must be a complete reorganization of the governmental system, as I have before indicated to you. I ask your special attention to this. Our fellow citizens who dwell on the shores of Puget sound with characteristic energy are arranging to hold in Seattle the Alaska-Yukon-Pacific exposition. This exposition in its purposes and scope should appeal not only to the people of the Pacific slope, but to the people of the United States at large.

Rights of Aliens.

Not only must we treat all nations fairly, but we must treat with justice and good will all immigrants who come here under the law. Whether they are Catholic or Protestant, Jew or gentile, whether they come from England or Germany, Russia, Japan or Italy, matters nothing. All we have a right to question is the man's conduct. If he is honest and upright in his dealings with his neighbor and with the state, then he is entitled to respect and good treatment. Especially do we need to remember our duty to the stranger within our gates. It is the sure mark of a low civilization, a low morality, to abuse or discriminate against or in any way humiliate such stranger who has come here lawfully and who is conducting himself properly. To remember this is incumbent on every American citizen, and it is of course peculiarly incumbent on every government official, whether of the nation or of the several states.

I am prompted to say this by the attitude of hostility here and there assumed toward the Japanese in this country. This hostility is sporadic and is limited to a very few places. Nevertheless it is most discreditable to us as a people, and it may be fraught with the gravest consequences to the nation.

I ask fair treatment for the Japanese as I would ask fair treatment for Germans or Englishmen, Frenchmen, Russians or Italians. I ask it as due to humanity and civilization. I ask it as due to ourselves, because we must act uprightly toward all men. I recommend to the congress that an act be passed specifically providing for the naturalization of Japanese who come here intending to become American citizens. One of the great embarrassments attending the performance of our international obligations is the fact that the statutes of the United States are entirely inadequate. They fail to give to the national government sufficiently ample power, through United States courts and by the use of the army and navy, to protect aliens in the rights secured to them under solemn treaties which are the law of the land. I therefore earnestly recommend that the criminal and civil statutes of the United States be so amended and added to as to enable the president, acting for the United States government, which is responsible in our international relations, to enforce the rights of aliens under treaties.

The Cuban Matter.
Last August an insurrection broke out in Cuba which it speedily grew evident that the existing Cuban government was powerless to quell. Thanks to the preparedness of our navy, I was able immediately to send enough ships to Cuba to prevent the situation from becoming hopeless, and I furthermore dispatched to Cuba the secretary of war and the assistant secretary of state in order that they might grapple with the situation on the ground.

In accordance with the so called Platt amendment, which was embodied in the constitution of Cuba, I thereupon proclaimed a provisional government for the island, the secretary of war acting as provisional governor until he could be replaced by Mr. Magoon, the late minister to Panama and governor of the canal zone on the isthmus. Troops were sent to support them and to relieve the navy, the expedition being handled with most satisfactory speed and efficiency. Peace has come in the island, and the harvesting of the sugar cane crop, the great crop of the island, is about to proceed. When the election has been held and the new government inaugurated in peaceful and orderly fashion the provisional government will come to an end.

The United States wishes nothing of Cuba except that it shall prosper morally and materially and wishes nothing of the Cubans save that they shall be able to preserve order among themselves and therefore to deserve their independence. If the elections become a farce and if the insurrectionary habit becomes confirmed on the island it is absolutely out of the question that the island should continue independent, and the United States, which has assumed the sponsorship before the civilized world for Cuba's career as a nation, would again have to intervene and to see that the government was managed in such orderly fashion as to secure the safety of life and property.

The Rio Conference.
The second international conference of American republics, held in Mexico in the years 1901-02, provided for the holding of the third conference within five years and committed the fixing of the time and place and the arrangements for the conference to the governing board of the bureau of American republics, composed of the representatives of all the American nations in Washington. That board discharged the duty imposed upon it with marked fidelity and painstaking care, and upon the courteous invitation of the United States of Brazil the conference was held at Rio de Janeiro, continuing from the 23d of July to the 29th of August last. Many subjects of common interest to all the American nations were discussed by the conference, and the conclusions reached, embodied in a series of resolutions and proposed conventions, will be laid before you upon the coming of the final report of the American delegates.

Panama Trip.
I have just returned from a trip to Panama and shall report to you at length later on the whole subject of the Panama canal.

The Algebras Convention.
The Algebras convention, which was signed by the United States as well as by most of the powers of Europe, superseded the previous convention of 1880, which was also signed both by the United States and a majority of the European powers. This treaty confers upon us equal commercial

rights with all European countries and does not entail a single obligation of any kind upon us, and I earnestly hope it may be speedily ratified.

Sealing.
The destruction of the Pribilof island fur seals by pelagic sealing still continues. The herd, which, according to the survey made in 1874 by direction of the congress, numbered 4,700,000, and which, according to the survey of both American and Canadian commissioners in 1891, amounted to 1,900,000, has now been reduced to about 180,000. This result has been brought about by Canadian and some other sealing vessels killing the female seals while in the water during their annual pilgrimage to and from the south or in search of food.

The process of destruction has been accelerated during recent years by the appearance of a number of Japanese vessels engaged in pelagic sealing.

Suitable representations regarding the incident have been made to the government of Japan, and we are assured that all practicable measures will be taken by that country to prevent any recurrence of the outrage.

We have not relaxed our efforts to secure an agreement with Great Britain for adequate protection of the seal herd, and negotiations with Japan for the same purpose are in progress.

The laws for the protection of the seals within the jurisdiction of the United States need revision and amendment.

Second Hague Conference.
In my last message I advised you that the emperor of Russia had taken the initiative in bringing about a second peace conference at The Hague. Under the guidance of Russia the arrangement of the preliminaries for such a conference has been progressing during the past year. Progress has necessarily been slow, owing to the great number of countries to be consulted upon every question that has arisen. It is a matter of satisfaction that all of the American republics have now, for the first time, been invited to join in the proposed conference.

Army and Navy.
It must ever be kept in mind that war is not merely justifiable, but imperative upon honorable men, upon an honorable nation, where peace can only be obtained by the sacrifice of conscientious conviction or of national welfare.

The United States navy is the surest guarantor of peace which this country possesses. I do not ask that we continue to increase our navy. I ask merely that it be maintained at its present strength, and this can be done only if we replace the obsolete and outworn ships by new and good ones, the equals of any afloat in any navy. To stop building ships for one year means that for that year the navy goes back instead of forward.

In both the army and the navy there is urgent need that everything possible should be done to maintain the highest standard for the personnel alike as regards the officers and the enlisted men. I do not believe that in any service there is a finer body of enlisted men and of junior officers than we have in both the army and the navy, including the marine corps.

West Point and Annapolis already turn out excellent officers. We do not need to have these schools made more scholastic. On the contrary, we should never lose sight of the fact that the aim of such school is to turn out a man who shall be above everything else a fighting man.

There should soon be an increase in the number of men for our coast defenses. These men should be of the right type and properly trained, and there should therefore be an increase of pay for certain skilled grades, especially in the coast artillery. Money should be appropriated to permit troops to be massed in body and exercised in maneuvers, particularly in marching.

The First Policemen.
On Sept. 20, 1829, the good citizens of London saw troops of men dressed in dark blue tail coats, with top hats, parading the streets and maintaining order. They were the pioneer police force and have been dubbed "Bobbies" or "Peelers," from Sir Robert Peel, who inaugurated them.

Gold and Silver Gowns.
The women of Sumatra wear costly dresses, many of them being made of pure gold and silver. After the metal is mined and smelted it is formed into a fine wire, which is woven into cloth and afterward used for dresses.

Your Share.
If the landed surface of the globe were divided up and allotted into equal shares to each of its human inhabitants it would be found that each would get a plot of twenty-three and a half acres.

Queer Fishing Methods.
The idea of catching fish by means of a beehive with a hole in the top of it is a strange enough one. Yet this does not inadequately describe the method employed by fishermen in the Philippine Islands, who clap their apparatus down over the sluggish bottom feeding fish and then, putting their hands through the hole in the top, extract their victims.

Mexican Courtship.
Staring at the windows of their adored ones is the way Mexican lovers woo. If the young woman is agreeable she will appear at the window after several days, and they thus become acquainted.

Curing a Wart.
When the peasants in Germany wish to get rid of any troublesome warts on their hands they take a species of locust and let it bite the protuberance. The liquid which flows from the insect's mouth into the wound causes the warts to dry up and disappear.

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