cialism, and especially of its extreme form communism, and the destruction of individual character which they would bring about, are in part achieved by the wholly unregulated competition which results in a stagic individual or corporation rising at the expense of all others until his or its rise effectually checks all competition and reduces former competitors to a position of uter inferiority and subordination.

In enacting and enforcing such legislation as this Congress already has to its reddit, we are working on a coherent plan, with the steady endeavor to secure the moderate men, the plain men who do not wish anything hysterical or dangerous, but who do intend to deal in resolute commonsense fashion with the real and great evils of the present system. The reactionaries and the violent extremists show symptoms of folning hands against us. Both assert, for instance, that if logical, we should go to Government ownership of railroads and the like; the reactionaries, because on such an issue they think the people would stand on achieve solid results. As a matter of preach discontent and agitation than to achieve solid results. As a matter of preach discontent and agitation than to achieve solid results. As a matter of preach discontent and agitation than to achieve solid results. As a matter of preach discontent and agitation than to achieve solid results. As a matter of preach discontent and agitation than to achieve solid results. As a matter of preach discontent and agitation than to achieve solid results. As a matter of preach discontent and agitation than to achieve solid results. As a matter of preach discontent and agitation than to achieve solid results. As a matter of preach discontent and agitation than to achieve solid results are more preach discontent and agitation than to achieve solid results are more preach discontent and agitation than to achieve solid results are more preach discontent and agitation than to achieve solid results are more properation. o preach discontent and agitation than o achieve solid results. As a matter of act, our position is as remote from that of the Bourbon reactionary as from that of the Bourbon reactionary as from that of the impracticable or sinister visionary. We old that the Government should not concur the business of the Nation, but that should exercise such supervision as will sure its being conducted in the interest the Nation. Our aim is, so far as may to secure, for all decent, hard-working en, equality of opportunity and equality burden.

Good and Bad Combinations.

The actual working of our laws has shown that the effort to prohibit all combination, good or bad, is noxious where it is not ineffective. Combination of capital, like combination of labor, is a hecessary element of our present industrial system. It is not possible completely to prevent it, and if it were possible, such complete prevention would de damage to the body politic. What we need is not vainly to try to prevent all combination, but to secure such rigorous and adequate control and supervision of the combinations as to prevent their injuring the public, or existing in such form as nevitably to threaten injury—for the mere fact that a combination has secured practically complete control of a necessary of life would under any circumstances show that such combinations, instead of sharply discriminate that our present laws should forbid all combinations, instead of sharply discriminating between those combinations which do good and those combinations which do not be investigation of the Standard Oil Company and as has been shown since by the investigation of the tobacco and sugar trusts) as to the initiative of hig railroads. Often railroads would like to combine for the purpose of preventing a big shipper from maintaining improper advantages at the expense of small shippers and of the general public. Such a combina-

rhis means that the law as construed by the preme Court is such that the business of a country cannot be conflucted without taking it. I recommend that you give careand early consideration to this subject, d. if you find the opinion of the interstate mmerce Commission justified, that you and the law so as to obviate the evil dissect.

The question of taxation is difficult in any untry, but it is especially difficult in ours nate tax for any State than a tax on the alironds and similar corporations which oper the wholly within the State boundaries, some one particular State too often results merely in driving the corporation or individual affected to some other locality or other State. The National Government has long derived its chief revenue from a tariff on imports and from an internal or excise tax. In addition to these there is every reason why, when next our system of texation is revised, the National Government should impose a graduated inheritance tax, and, if possible, a graduated income tax. The man of great wealth owes a peculiar obligation to the States, because he drives special alivantages from the mere existence of government. Not only should be recognize this obligation in the way he leads in daily life and in the way he earns and spends his money, but it should also be recognized by the way in which he pays for the protection tha State gives him. On the one hand, it is desirable that he should assume his full and proper share of the burden of taxalfon; on the other hand, it is quite as accessary that in this kind of taxalfon, where the men who vote the tax pay but little of it, there should be a clear recognition of the danger of inaugurating any such system awo in a spirit of entire justice and moderation. Whenever we, as a people, undertake to remodel our taxation system along the lines suggested, we must make it locar beyond peradventure that our aim is to distribute the burden of supporting the Government more equitably than at present; that we intend to treat rich man and poor man on a bazis of absolute equality, and that we regard it as equally fatal to true democracy to do or permit injustice to the other.

I am well aware that such a subject as this needs long and careful study in order that the people may become familiar with what is proposed to be done, may clearly see the recessity of 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 legislatons can were outless to any individual ponelited has more of their and ambition is the desire on the pa

stands on an entirely different footing from an inheritance tax; because it involves no question of the perpetuation of fortunes awollen to an unhealthy size. The question is in its essence a question of the proper adjustment of burdens to benefits. 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 K 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 uncenstitutional.

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 elitizens. Nevertheless, the hesitation evidently felt by the court as a whole in coming to a conclusion, when considered together with the 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 falls there will ultimately be no alternative to a constitutional amendment.

Technical Training in Schools.

shall attain the desired each but if this program is shall attain the desired each but if this program is shall attain the desired each but if this program is shall attain the desired each but if the program is shall attain the desired each but if the program is a constitutional amendment.

Trehaled Training in Schools.

It would be impossible to overstate the program is a constitutional amendment.

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To mearly the effect of the program is a constitution of a menorial amphilibeater in the program is a constitution of a menorial amphilibeater in the program is a constitution of a menorial amphilibeater in the program is a constitution of a menorial amphilibeater in the program is a constitution of the program of the program of the commercial and the program is a constitution of the program of the pro

All such training must develop not only manual dexterity, but industrial intelligence. In international rivalry this country does not have to fear the competition of pauper labor as much as it has to fear the educated labor of specially trained competitors; and we should have the education of the hand, eye and brain, which will fit us to meet such competition.

In overy possible way we should help the wageworker who tells with his hands and who must (we hope in a constantly increasing measure) also tell with his brain. Under the Constitution the National Legislature can do but little of direct importance for his welfare save 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 carnestly hope that both the legislative and judicial branches of the Government will construct this clause of the Constitution in the broadest possible manner. We can however, in such a matter as child labor and factory law, set an example to the states by enacting the most advanced legislation that can wisely be enacted for the District of Columbia.

Nation's Help to Farmers.

states by enacting the most advanced legislation that can whelp be enacted for the
District of Columbia.

Nation's Help to Farmers.

The only other persons whose welfare is
as vital to the welfare of the whole country
as is the welfare of the wagworkers are
the tillers of the soil, the farmers. It is
a mere truism to say that no growth of
cities, no growth of wealth, no industrial
development can atone for any falling off
in the character and standing of the farming population. Luring the last few decades this fact has been recognized with
ever-increasing clearness. There is no longer
any fallure to realize that farming, at least
in certain branches, must become a technical and selentific profession. This means
that there must be open to farmers the
chance for technical and scientific training, not theoretical merely, but of the most
severely practical type. The farmer represents a peculiarly high type of American
citizenship, and he must have the same
chance to rise and develop as other American citizenship, and he must have the same
chance to rise and develop as other American citizenship, and he must have the same
chance to rise and develop as other American citizenship, and he must have the same
chance to rise and develop as other American citizenship, and he must have the
same
and the wageworker, that the ultimate
success of the Nation of which he forms a
part must be founded not alone on material
prospecity, but upon high moral, mental and
physical development. This education of the
farmer—self-selucation by preference, but
also education from the outside, as with all
other mon—is peculiarly necessary here in
the United States, where the frontier conditions even in the newest states have now
nearly vanished, where there must be a substitution of a more intensive system of cultivation for the old, wasteful farm managoment, and where there must be a better
business organization among the farmers
themselves.

source of thrift and ambition is the desire on the part of the breadwinner to leave his children well off. This object can be attained by making the tax very small on moderate amounts of property left; because the prime object should be to put a consumity increasing burden on the inheritance of those swollen to this country to perpetuate.

History Gives Precedents.

There can he no question of the ethical propriety of the Government thus determining the conditions upon which any gift or inheritance should be received. Exactly how far the inheritance tax would, as an incident, have the effect of limiting the transmission by devise or gift of the enormous fortunes in question it is not necessary at present to discuss it is wise that progress in this direction should be gradual. At first a perminent national inheritance tax, while it might be more substantial than any such tax has hither to been, need not approximate, either in amount or in extent of the increase by graduation, to what such a tax should ultimately be. This species of tax has again and again been imposed, although only temporarily, by the National Government. It was first imposed by the act of July 6, 1797, when the makers of the Constitution were alive and at the head of affairs. It was a gradualed tax; though small in amount, the rate was facreased with the amount left to any individual, exceptions being made in the case of certain kin. A similar tax was a sgrato imposed by the act of July 1, 1862; a minimum sum of one thou-

Irrigation and Forestry.

Much is now being done for the states of the Rocky Mountains and the 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. The forests of the White Mountains and Southern Appalachian regions should also be preserved; and they can not be unless the people of the states in which they lie, through their representatives in the Congress, secure vigorous action by the National Government.

I invite the attention of the Congress to the estimate of the Secretary of War for an appropriation to enable him to begin the preliminary work for the construction of a memorial amphitheater at Arlington. The Grand Army of the Republic in its national encampment has urged the erection of such an ampaitheater as necessary for the proper observance of Memorial Day and as a fitting monument to the soldier and sallor dead buried there. In this I heartly concur and commend the matter to the favorable consideration of the Congress.

National Marriage and Divorce Law.

of steamers with South America, should in that great sister continent be at a dis-advantage compared to the business people of Europe.

I especially call your attention to the second subject, the condition of our cur-rency laws. The National bank act has ably

an efficient police force and have put down ladronism. Only in the islands of Leyte and Samar is the authority of our Government resisted and this by wild mountain tribes under the superstitious inspiration of fakirs and pseudo-religious leaders. We are constantly increasing the measure of liberty accorded the islanders, and next Spring, if conditions warrant, we shall take a great stride forward in testing their capacity for self-government by summoning the first Filipino legislative assembly; and the way in which they stand this test will largely determine whether the self-government thus granted will be increased or decreased; for if we have erred at all in the Philippines it has been in proceeding too rapidly in the direction of granting a large measure of self-government. We are building roads. We have, for the immeasurable good of the people, arranged for the building of railroads. Let us also see to it that they are given free access to our markets. This Nation owes no more imperative duty to itself and mankind tham the duty of managing the affairs of all the islands under the American flag—the Philippines, Porto Rico and Hawsii—so as to make it evident that it is in every way to their advantage that the flag should fly over them.

Make Porto Ricans Citizens.

Make Porto Ricans Citizens.

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. The administration of the affairs of Porto Rico. together with those of the Philippines, Hawaii and our other insular possessions, should all be directed under one executive department; by preference, the Department of State or the Department of War.

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 coolle-tilled extates. Situated as this territory is, in the middle of the Pacific, there are duties impored upon this small community which do not fall in like degree or manner upon any other American community. This warrants our treating it differently from the way in which we treat territories contiguous to or surrounded by sister territories or other states, and justifies the setting aside of a portion of our revenues to be expended for educational and internal improvements therein. Hawaii is now making an effort to secure immigration fit in the end to assume the duties and burdens of full American citizenship, and whenever the leaders in the various industries of those islands finally adopt our ideals and heartily join our administration in endeayoring fo develop a middle class of substantial citizensh now appear to them so serious. The best Americanism is that which aims for siahility and permanency of prosperous citizenship, rather than immediate returns on large masses of capital.

Reorganize Rule in Alaska.

Alaska's needs have been partially met.

THE MORNING ORBGONIAN, WEDNESDAX, DECEMBER 5, 1906.

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so much a confession of inferiority in our civilization.

Mensures to Favor Japanese.

Our nation fronts on the Pacific, just as it fronts on the Atlantic. We hope to play a constantly growing part in the great ocean of the Orient. We wish, as we ought to wish, for a great commercial development in our dealings with Asia; and it is out of the question that we should permanently have such development unless we freely and gladly extend to other nations the same measure of justice and good treatment which we expect to geerly in return. It is only a very small body of our citizens that act badly. Where the Federal Government has power it will deal summarily with any such. Where the several States have power I earnestly ask that they also deal wisely and promptly with such conduct, or eise this small body of wrongdoers may bring shame upon the great mass of their innocent and right-thinking fellows—that is, upon our nation as a whole. Good manners should be an international no less than an individual attribute. I ask fair treatment for the Japanese as I would ask fair treatment for the Japanese as I would ask fair treatment for Germans or Danilsolmen, 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 past 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 couris and by the use of the Army and Navy, to protect allons in the rights secured to them undersolemn freaties which are the law of the land. I therefore earnestly recommend that the criminal and civil statutes of the United States Government, which is responsible in our international rolations, to enfo

ignation of the governmental system, as I have before indicated to you. I ask your especial 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. Its special almin the pacific Exposition. Its special almin the Pacific Cocan. This exposition, in its purposes and scope, should appeal not only to the people of the United States at large. Alaska ince it was bought has yieled to the Government \$11,000,000 of revenue, and has produced nearly \$300,000,000 in gold, fursiand fish. When properly developed it will become in large degree a land of homes. The countries bordering the Pacific Cocan have a population more numerous than that of all the countries of Europe; their annual foreign commerce amounts to over \$2,000,000,000, of which the share of the United States is some \$700,000,000. It this trade were thospoughly understood and pushed by our manufacturers and producers, the industries not only of the Pacific slope, but of All our country, and particularly of our cotton growing states, would be greatly benefited. Of course, in order to get these benefits, we must treat fairly the countries with which we trade.

It is a mistake, and it betrays a spirit of foollsh cynicism, to maintain that all international rovernments action is and the United States Government. It is unthinkable that we should continue a policy under which a given locality may be allowed to commit a crime against a friending net proventies of their own wrongdoing.

Cuba's Last Chance as Republic.

Currency Reform Needed.

I appecially call your structured to the control of the rency lays. The National bank act has ably served a great purpose in addit the enterpolar purpose in addit the enterpolar purpose in additional leafunction of the rency lays. The National bank act has ably served a great purpose in additional leafunction of the rency lays. The National bank and the served agree of the commendation of the rency of the commendation of the rency of the layer of the layer of the layer of the layer and the layer of the layer

stringuetion of American capital and the extension of American trade. The impression was so widespread that apparently it could not be reached by any optimary means.

Hoof Dispois Finke Impression.

It was part of Secretary Roots mission of dispoi this unfounded improssion. The was part of Secretary Roots mission of dispois this unfounded improssion. The succeeded. In an address to the third conference at Rio on the 1st of July-an address of such note that I send it to, to "We wish for no victories but those of peace; for no territory except our own; for no overeimly except the sovereignty over equal rights of the smallest and weakest member of the family of nations entitled to as much respect as those of the greatest that respect the chief guaranty of the weak against: the oppression of the strong. We wish to increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in wealth, in wisdom and its increase our prosperity, to extend our trade, to grow in the prosperity of the prosperity of the prosperity of the prosperity of the prosperity o

communications and proposed on vertical conditions can be proved on the conditions and proposed on vertical conditions and proposed conditions and proposed on vertical conditions and proposed conditions and pro

And many other painful and serious ailments from which most mothers suffer, can be avoided by the use of "Mother's Friend." This great remedy is a God-send to women, carrying them through their most critical ordeal with safety and no pain.

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