

COMMERCE COURT
PRESIDENT'S PLAN

Taft Would Give Power of Initiative to Interstate Commission.

TWO KINDS OF TRUSTS SEEN

Federal Incorporation Suggested as Method of Voluntary Reform. Wishes Not to Molest Those Who Do No Wrong.

WASHINGTON, Jan. 7.—President Taft's promised message on the subjects of rate regulation and the control of the so-called "trusts" was transmitted to Congress today. It follows closely the line of the President's speeches in the past. It suggests the creation of a Court of Commerce, with power to review the acts of the Interstate Commerce Commission, and jurisdiction of the commission itself, and the enactment of a Federal incorporation act, as a means for permitting those combinations which exist legitimately to continue to do business and to reap the benefits of combination conducted along lawful lines.

Would Protect Innocents. A note in the message is the President's desire to discriminate between the concerns that violate the law and those which have complied for the lawful purpose of reducing costs by economies of production and otherwise. There is further expression of unwillingness to disturb existing conditions in such a manner as to result in injury to innocent stockholders or employees.

The President refers at least twice to this feature. He speaks of the "potent means of exercising control" of one railroad company by another through the ownership of stock, a condition that, he says, has grown up under legislative power conferred by the laws of many states, and he says that "to attempt now suddenly to reverse that policy, so far as it affects the ownership of stock heretofore so acquired, would be to inflict a grievous injury, not only upon the corporation affected, but upon a large body of the investment holding public."

Some "Trusts" Lawful. Again, he comments upon the difference between the combinations of capital which have as their purpose the control of production and the elimination of competition, with the view of advancing prices ultimately, and those which aim to gain advantage through economies of management and production. The second class, he says, has become "an essential in modern progress as the change from the hand tool to the machine."

Federal incorporation is suggested as a means of so controlling these combinations as that the good and the bad may be distinguished, and the former provision against the "watering" of stock is suggested, and the creation of "holding companies" is provided against.

Pooling to Be Regulated. The President is not opposed to all forms of pooling of rates. He would permit pooling in some instances under the regulation of the Interstate Commerce Commission.

The message opens with a review of the report of the Interstate Commerce Commission with reference to litigation pending to nullify its orders. Few orders of consequence have been permitted to go unchallenged and the report for 1909 shows that of 16 cases referred to a year previously only one had been decided in the Supreme Court. It is of supreme importance that decisions of the complicated questions involved shall be as speedy as possible and that uniformity of decision be secured, to bring about an effective, scientific and systematic enforcement of the law.

For this purpose I recommend the establishment of a court of the United States composed of five judges designated for such purpose by the President, and the creation of the United States circuit court of appeals, which court shall be clothed with exclusive original jurisdiction over the following classes of cases: (1) All cases for the enforcement, otherwise than by adjudication and collection of a certificate by indictment, or by order of criminal punishment, or by order of the Interstate Commission other than for the payment of money.

(2) All cases brought to enjoin, set aside, annul or suspend the order of the Interstate Commerce Commission.

(3) All cases under section 3 of the act of February 13, 1903, known as the "Elgin Act," are authorized to be maintained in a circuit court of the United States.

(4) All such mandamus proceedings as, under the provisions of section 16 of the act of February 13, 1903, are authorized to be maintained in a circuit court of the United States.

Injunction Right Limited. The Court of Commerce should be empowered in its discretion to restrain or suspend the operation of an order of the Interstate Commerce Commission under the review pending the final hearing and the termination of proceedings, but no such restraining order should be made except upon notice and after hearing unless in cases where irreparable damage would otherwise ensue to the petitioner.

Under the existing law the Interstate Commerce Commission itself initiates and defends litigation in the courts for the enforcement, or in the defense, of its orders and decrees, and for this purpose it employs attorneys who, while subject to the control of the Attorney-General, act upon the initiative and under the direction of the commission. This blending of administrative, legislative and judicial functions tends, in my opinion, to impair the efficiency of the commission by clothing it with partisan characteristics and robbing it of the impartial judicial attitude it would occupy in passing upon questions submitted to it. In my opinion the best method of securing government should be under the direct control of the Department of Justice, and I therefore recommend that all questions affecting orders and decrees of the Interstate Commerce Commission be brought before or against the United States circuit court and be placed in charge of an assistant Attorney-General acting under the direction of the Attorney-General.

The Republican platform declaration on the subject of pooling agreements is reviewed, and the message says: "In view of the complete control over rate-making and other practices of interstate carriers, established by the act of Congress, and as recommended in this communication, I see no reason why agreements between carriers, subject to the act, specifying the classification of freight and the rates, fares and charges for transportation or passengers and freight which they may agree to establish should not be permitted, provided copies of such agreements be promptly filed

with the commission, but subject to all the provisions of the Interstate Commerce act and subject to the right of any party to such agreement to cancel it as to all or any of the agreed rates, fares, charges or classifications of freight under the act, and to file with the commission a copy of the agreement, and to the commission.

Rate Must Be Quoted. Reference is made to complaints by shippers that they have insufficient opportunity to ascertain legal freight rates. The message suggests the requirement that a carrier be compelled to quote in writing the rate applicable, subject to a penalty of, say \$250, for omission or refusal to quote the proper rate. The message initiates an investigation should be vested in the Commission, the message says, and it continues:

I therefore recommend that the Commission should not be authorized to act on its own initiative, as well as upon the complaint of an individual, investigating the fairness of any existing rate or practice, and I recommend the amendment of the act to provide: and also that the commission shall be empowered to hold any question to pass upon the classification of commodities for purposes of fixing rates, in like manner as it may now do with respect to the maximum rate applicable to any transportation. Under the existing law, under the act, the commission may investigate a rate until after it shall have become effective; and although one or more carriers may file with the commission a proposed increase in rates or change in classification, to become effective at the expiration of 30 days from such filing, no proceedings can be taken to investigate the reasonableness of such proposed change until after it becomes operative. On the other hand, the commission shall make an order finding that an existing rate is excessive and directing it to be reduced, the carrier affected may file proceedings in the courts, stay the operation of such order of reduction for months and even years.

Power to Initiate Given. The President discusses the suggestion that the Commission be clothed with "rate-making powers," a suggestion which he says has been rejected, and in reply to appeal to the courts to obtain a remedy declares that it may be doubted how effective this remedy is, experience having shown that "in many, perhaps most cases, the courts do not go into court, but add the excessive loss to the price of their goods, so that 'the public, in effect, has paid the bills.' The message goes on:

I therefore recommend that the Interstate Commerce Commission be empowered, whenever any proposed increase in rates is filed, either on complaint of the shipper or on motion, to enter upon an investigation into the reasonableness of such change, and that it be further empowered in its discretion, to postpone the effective date of such proposed increase for a period not exceeding 90 days beyond the date when such rate would take effect. If, within this time, it shall determine that such increase is unreasonable, it may then, by its order, either forbid the increase at all or fix the maximum rate beyond which it shall not be made. If, on the other hand, at the expiration of the time, the Commission shall not have completed its investigation, then the rate shall take effect precisely as if it would under the existing law, and the Commission may continue its investigation with such results as may be realized under the law as it now stands.

Mr. Taft knows of no reason why shippers should not be permitted to designate the routes they wish to travel, and shall be subject to reasonable regulation. Investment to Be Protected. Not to inflict hardship upon the investment-holding public, he would provide that the provision that no company subject to the Interstate Commerce law shall acquire interest in competing lines be coupled with a provision that it shall not operate to prevent a company owning at the date of passage of the act not less than 50 per cent of the stock from acquiring the remainder. This provision is suggested to secure to minority stockholders the best market for their stock.

Enactment of a law requiring that stock or bond issues shall represent full value received is advised. The amendment of the law so as to permit the injured investor to obtain service upon companies through their station agents is urged.

The President thus opens his discussion of "trusts" questions.

There has been a marked tendency in business in this country for 40 years last past toward the concentration of capital and plant, in manufacture, sale and transportation. The moving causes have been several.

First, it has rendered possible great economies, second, by a union of former competitors, it has reduced the cost of excessive competition; and, third, if the same has been achieved, and, in certain methods in the treatment of competitors and customers have been adopted, it has secured a monopoly, and complete control of prices or rates.

It is the capital of a business for the purpose of reducing the cost of production and effecting economy in the management, and as a means of advancing progress as the change from the hand tool to the machine. When, therefore, we law now makes unlawful certain business methods which before its passage were regarded as evidence of business sagacity. In dealing with these men the President wishes to facilitate a voluntary change in their method of doing business, insuring through all that attempts to suppress competition, a control prices and create monopoly should be ended. He proceeds:

I, therefore, recommend the enactment by Congress of a general law providing for the formation of corporations to engage in trade and commerce among the states and with foreign nations. Such a law should provide for the issue of stock of such corporations in equal units, to be held only by one person on the stock, and if the stock be issued to a corporation, the corporation should be required to disclose to all of its stockholders a complete report of its operations with the Department of Commerce and Labor at least once a year. It should be prohibited from acquiring and holding stock in other corporations (except for special reasons upon approval of proper Federal authorities), thus avoiding the creation of National associates, of the holding company which has been such an effective agency in the creation of the great trusts and monopolies.

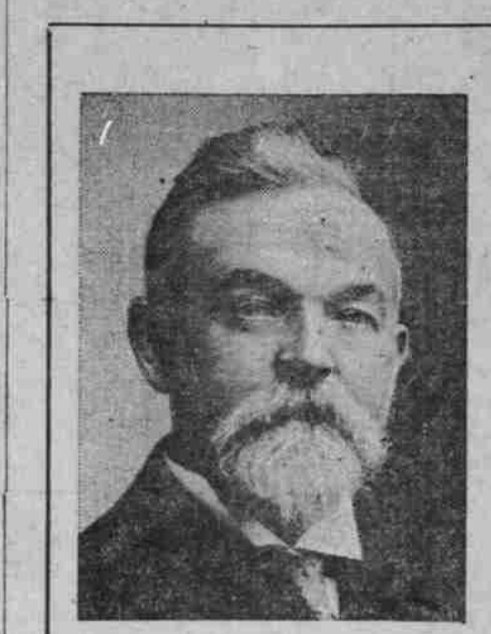
If the prohibition of the Anti-Trust act against stockholders in corporations is to be effectively enforced, it is essential that the National government shall provide for the creation of National corporations to carry on a legitimate business throughout the United States, and that the laws of the different states of the Union, with respect to foreign corporations, make it difficult, if not impossible, for a corporation to comply with their requirements as to carrying on a business in a number of different states. It should be said that the measure contemplated does not prohibit the corporation from being organized and is not to be framed so as to permit the doing of the wrongs which it is the purpose of that law to prevent, but only to foster a continuance and advance of the highest industrial efficiency without permitting industrial abuses.

If we would maintain our present business supremacy, we should give to industrial concerns an opportunity to reorganize and to concentrate their legitimate capital in a Federal corporation, and to carry on their large business within the lines of the law.

Federal Act Practicable. Second—There are those who doubt the constitutionality of such Federal incorporation, and the regulation of interstate and foreign commerce is certainly conferred in the fullest measure upon Congress, and if Congress shall insist that it may provide and authorize certain agencies to carry on that commerce, it would seem to me that such a power should be vested in Congress and upheld by the Supreme Court in this regard.

The third objection, that the worst offenders will not accept Federal incorporation, is easily answered. In the case of the Junction recently adopted in prosecutions against the National Trust law, it was found and sweeping that the corporations affected by them have but three alternatives before them: First—They must reorganize themselves into the component parts of the trust, and with a consequent loss to themselves of capital and effective organization, and to the country of central energy and enterprise; or, Second—In defiance of law and under some secret trust, they must attempt to continue their business in violation of the Federal statute and thus incur the penalties of contempt and bring on an inevitable criminal prosecution of the individuals named in the decree and their associates; or, Third—They must reorganize and accept

SUITS
\$50 Suits, \$40.00
\$45 Suits, \$37.50
\$40 Suits, \$32.50
\$35 Suits, \$27.50
\$30 Suits, \$25.00
\$25 Suits, \$22.50



C. H. LANE

REMEMBER
If your clothes don't suit you when finished we will refund your money

"had trusts" and that it is possible by amendment to the trust law to make a distinction under which good combinations may be permitted to organize, suppress competition, control prices and to all other considerations already advanced, will take advantage of the law and create a trust, while the other state corporations doing an interstate business do not need the supervision or the regulation of a Federal license, and would only be unnecessarily burdened thereby.

HONOLULU, Jan. 7.—A party of 361 Filipino laborers, secured by two agents sent to the Philippines by the Hawaiian Board of Immigration, arrived here Thursday on the liner Siberia, and will be set to work on the sugar plantations without delay.

Owing to the fact that many of the immigrants from the last party of Portuguese brought to Hawaii have not remained plantation laborers, this part of the immigration experiment is considered unsuccessful and no more Portuguese will be imported. Efforts to induce European immigration will be abandoned until the Filipinos have been given a trial.

W. B. Babbitt, formerly Superintendent of Public Instruction, has been delegated by the Immigration Board to go to Porto Rico for the purpose of securing natives of that place for use on Hawaiian plantations.

If troubled with indigestion, constipation, no appetite or feel bilious, give Chamberlain's Stomach and Liver Tablets a trial and you will be pleased with the result. These tablets invigorate the stomach and liver and strengthen the digestion. Sold by all dealers.

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THERE is a money value to you in smart, well-fitting clothes. In any walk of life your success will be greater if you dress well—Clothes may not always "make the man," but just the same the smartly dressed, tailored individual you meet on the street makes you want to get out of sight if you are wearing a "hand-me-down."

WHY do you wear "hand-me-downs" when it will cost you no more to have a suit of clothes made to your own measure by reputable tailors who will guarantee their work?

As we look back and review the experiences of the past year, we cannot help but feel that the firm business policy that we have always maintained has been appreciated by the public, and in no small degree been responsible for our success.

If we gave you good goods, careful, intelligent attention and low prices last year, you may be absolutely certain that we shall do as well or better this year. We are after the man who has ambition and pride enough to get out of the hand-me-down class. Does that mean you? Mr. Lane and Mr. Johnson of the Oxford Tailors have a reputation in Portland for integrity and ability which positively guarantees any statement herein made.

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FRANCE IS WORSE
Report of Minister of Justice Shows More Crime.

HAWAII TO USE FILIPINOS
Laborers on Isle to Take Places on Sugar Plantations.

LARGER CITIES AFFECTED
Premeditated Murders Doubled in 1908 and Deaths From Assault Increase 46 Per Cent—Court Procedure to Be Changed.

FRANCE SCANS KNOX NOTE
Extension of Jurisdiction of International Prize Court Approved.

MINING MAN FOUND DEAD
Wealthy Denverite Murdered or Frozen to Death.

MAN WHOSE REPORT ON GREAT INCREASE IN CRIMINAL AGGRESSIONS IN FRANCE ALARMS THE WHOLE NATION.

ELGIN MINUTES
THERE'S a modern tendency to combine business and sociability. Punctuality so becomes at once a duty and a courtesy; it's best backed by an Elgin.

LORD ELGIN. Thin Model
Pendant Winding and Setting, 7. 15 and 17 Jewels and 17 Jewels adjusted. Ruby and sapphire balance and center jewels. Compensating balance. Breguet hair-spring with micro-metric regulator. Exposed winding wheel. Patent re-winding anti-trust law and re-winding device. Bank-second dial. Plates case engraved. Glass and lined in case.

In Filled Gold Cases, \$25 and up.
In Solid Gold Cases, \$35 and up.

Other Elgin models at other prices, according to grade of movement and case. All Elgin watches are guaranteed, and are sold by jewelers everywhere.

ELGIN NATIONAL WATCH COMPANY,
Elgin, Illinois.

court convention, Washington objects to giving the international prize court appellate jurisdiction over decisions of the American prize court.

INDIAN VILLAGE WRECKED
Flood Sweeps Home of Supais, but Inhabitants All Escape.

FLAGSTAFF, Ariz., Jan. 7.—A report reached here today that the entire Indian village of the Supais, located in Cataract Canyon, has been destroyed by a flood of water 20 feet high that swept down the canyon early Sunday morning. Several Indians are missing and are supposed to have been carried down in the heavy rains, letting the flood down the canyon.

Cataract Canyon is a large canyon leading into the Grand Canyon about 50 miles west of Grand Canyon Station.

WASHINGTON, Jan. 7.—Reports of the destruction of the village of the Supais received by the Commissioner of Indian Affairs today do not indicate loss of life. It is reported that nearly all the Indian school property has been swept away.

FRANCE has supported steadily every proposition destined to promote international arbitration, and Mr. Burgols and Renault and Baron d'Estournelles de Constant, the French members of the permanent Hague tribunal, to whom the note has been referred for their opinion, are expected to report favorably on the proposition.

An exchange with the British Cabinet, which has not yet reached an agreement, is also probable before a formal answer is given the United States.

The question may become complicated by the reservation which it appears Washington made in the first part of its circular in reference to the ratification of the international prize

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