WASHINGTON, Dec. 5.—President in Congress today, was as fol-

To the Senate and House of Representa-

tives:
This message is the first of several which I shall send to Congress during the interval between the opening of its regular session and its adjournment for the Christmas holidays. The amount of information to be communicated as to the operations of the Covernment, the number of important subjects calling for commant by the Executive, and the transmission to Congress of exhaustive reports of special commissions, make it impossible to include its one message of a reasonable length a discussion of the topics that coght to be breight to the attention of the National Legislature at its first regular session. Auti-Trust Law and Supreme Court De-

In May last the Supreme Court becisions.

In May last the Supreme Court handed
down decisions in the suits in equity brought
by the United States to enfoin the further
maintenance of the standard Oil Trust and
of the American Tobacco Trust, and to secure their dissolution. The decisions are
spoch-making and serve to advise the business world authoritatively of the scope and
separation of the anti-trust act of 1890.

The decisions do not depart in any substantial way from the previous decisions of
the court in construing and applying this
important statute, but they clarify those
decisions by further defining the already
admitted exceptions to the literal constrution of the act. By the decrees, they furnish a useful precedent as to the proper
method of dealing with the capital and
property of illogal trusts.

These decisions suggest the need and
wisdom of additional or supplemental isglelation to make it easier for the entire business community to square with the rule of
section and legality thus finally established
and to preserve the benefit, freedom and
Epur of reasonable competition without loss
of real efficiency or progress.

No Change in Bule of Precision.

No Change in Rule of Decision, The statute in its first section declares to be illegal "every contract, combination in the form of trust or otherwise, or compir-

to be illegal "every contract, combination in the form of trust or otherwise, or comspiracy, in restraint of trade or commerce among the several states or with foreign nations, and in the second, declares guilty of misdemeanor "every person who shall monopolize or combine or conspire with any other person to monopolize any part of the trade or commerce of the several states or with foreign nations." In two early cases, where the statute was invoked to enjoin a transportation rate marriement between interstate railsted companies, it was held that it was no defense to show that the agreement as to raise companied of was reasonable at common law, because it was said that the statute was directed against all contracts and combinations in restraint of trade whether reasonable at companied of in those cases would not have been desmed reasonable at complained of in those cases would not have been desmed reasonable at comming law, it subsequent cases the court said that the statute should be given a reasonable construction and refused to include within its inhibition certain contractual restraints of trade which it denominated as incidental or as incidence.

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Remedy in Equity by Dissolution.

In the Standard Oil case the Supreme and Circuit Courts found the combination to be a monopoly of the interstate business of refining, transporting and marketing petroleum and its products, effected and maintained through 37 different corporations, the stock of which was held by a New Jersey company. In effect it commanded the dissolution of this combination, directed the transfer and pro rate distribution by the New Jersey company of the stock held by it in the 37 corporations to and among the stockholders; and the corporations and individual defendants were enjoined from comapiting or combining to restore such monopoly; and all agreements between the substidiary corporations tending to produce or bring about further violations of the act were enjoined. In the tobacco case, the court found that the individual defendants, twenty-nine in number, had been engaged in a successful effort to sequire complete deminion over the manufacture, sale and distribution of tobacco in the country and shood, and that this had been done by combinations made with a purpose and effect to stiffe competition, control prices, and establish a monopoly, not only in the manufacture of to-hacce, but also of the-foil and licerica used in its manufacture and of its products of cigars, cigarettes and smuffs. The tobacco hacco, but also of the foli and licerica used in its manufacture and of its products of cigars, cigarettes and snuffs. The tobacco suit presented a far more complicated and difficult case than the Standard Oil suit for a decree which would effectuate the will of the court and end the violation of the statuts. There was here no single holding company as in the case of the Standard Oil Trust. The main company was the American Tobacco Company, a manufacturing, selling

fiscate the property and capital of the offending trusts. Methods of punishment by fine or imprisonment of the individual offenders, by fine of the corporation or by forfeiture of its goods in transportation, are provided, but the proceeding in equity is a specific remedy to stop the operation of the trust by injunction and prevent the future use of the plan and capital in violation of the statute.

I venture to say that not in the history of American law has a decree more effective for such a purpose been entered by a court than that against the tobacco trust. As Circuit Judge Noyes said in his judgment approving the decree:

"The extent to which it has been necessary to tear spart this combination and force it into dew forms with the steendant burdens ought to demonstrate that the Federal anti-trust statute is a drain simulation which accomplishes effective results; which so long as it stands on the statute books must be obeyed, and which can not be dischered without incurring far-reaching pensalties. And, on the other hand, the successful reconstruction of this organization whom the other hand, the successful teach that the effect of enforcing his statute is not to destroy, but to reconstruct; not to demnitable, but to reconstruct;

statute is not to destroy, but to reconstruct; not to demailsh, but to re-creas is accord-ance with the conditions which the Congress has declared shall exist among the people of the United States."

Common-Stock Ownership Not Mennee.

Common-Stock Ownership Not Menace. It has been assumed that the present purposes of the decree and made parties to it, and numbering, new and old, fourteen Beadjusted Situation Described.

The American Tobacco Company (old), readjusted capital, \$52,000,000; the Described in the property of all the companies had beyors Tobacco Company (new), capital \$47,000,000; the P. Lorillard Company (new), capital, \$47,000,000; and the R. J. Raynolds Tobacco Company (old), capital, \$7,525,000, are chiefly engaged in the manu-

LATE PORTRAIT OF THE PRESIDENT, WHO SENDS MES-SAGE TO CONGRESS ON ANTI-TRUST LAW.



of the statute.

Men do not do such a thing without having it clearly in mind. If what they do is merely for the purpose of reducing the cost of production, without the thought of suppressing competition by use of the bigness of the plant they are creating, then they cannot be convicted at the time the union is made, nor can they be convicted later, unless it happen that later on they conclude to suppress competition and take the usual methods for doing so, and thus establish for themselves a monopoly. They can, in such a case, hardly complain if the motive which subsequently is discussed is attributed by the court to the original combination.

New Remedies Suggested. Much is said of the repeal of this statute and of constructive legislation intended to accomplish the purpose and blaze a clear path for honest merchants and business men path for honest merchants and business men to follow. It may be that such a plan will be evolved, but I submit that the discussions which have been brought out in recent days by the fear of the continued execution of the anti-trust law have produced nothing but glittering generalities and have offered no line of distinction or rule of action as definite and as clear as that which the Suprame Court itself lays down in enforcing the statute.

I see no objection—and indeed I can see decided advantages—in the enactment of a law which shall describe and denounce methods of competition which are unfair and are bedges of the unlawful purpose denounced in the anti-trust law. The attempt and purpose to suppress a competitor by

nonuced in the anti-trust law. The attempt and purpose to suppress a competitor by underselling him at a price so unprofitable as to drive him out of business or the making of exclusive contracts with customers under which they are required to give an association with other manufacturers, and numerous kindred methods for stifling competition and effecting monopoly, should be described with sufficient accuracy in a criminal statute on the one hand to enable the Government to shorten its task by prosecuting single misdemeanors instead of an entire conspiracy, and, on the other hand, to serve the purpose of pointing out more in detail to the business community what must be avoided.

Federal Incorporation Recommended. In a special message to Congress on January 7, 1910, I ventured to point out the dis-

Tederal Incorporation Recommended,
The appecial measures to Congress on January 1982 and the description of these offending properties of the business that would probably attend the descouring of the business that would probably attend the descouring of the business that would probably attend the descouring of the business that would probably attend the descouring of the business that would probably attend the descouring of the business that would probably attend the descouring of the business constructive log-carried the control of effects and standard chromosom of the business cross probably the control of the business cross probably the business probably

inforcement of the anti-frust statute has re-volted in the actual dissolution of active semmercial organizations.

It is even more manifest now than it was hen that the denunciation of conspiracies a restraint of trade should not and does not mean the denial of organizations large mough to be intrusted with our interstate and foreign trade. It has been made more ilear now than it was then that a purely egative statute like the anti-trust law may the supplemented by specific provisions the building up and regulation of legiti-a National and foreign commerce.

Administrative Experts Needed, Administrative Experts Needed.

The drafting of the decrees in the dissolution of the present trusts, with a view to their reorganization into legitimate corporations, has made it especially apparent that the courts are not provided with the administrative machinery to make the necessary inquiries preparatory to reorganization, or to pursue such inquiries, and they should be empowered to invoke the aid of corporations in determining should be empowered to invoke the aid of the Bureau of Corporations in determining the sustable reorganization of the disinte-grated parts. The Circuit Court and the Attornsy-General were greatly aided in framing the decree in the tobacco trust dis-solution by an expert from the Bureau of Corporations.

Corporation Commission Proposed.

I do not set forth in detail the terms and sections of a statute which might supply the companint is made of the statute that it is not sufficiently definite in its description of that which is forbidden to enable business men to avoid its violation. The suggestion is, that we may have a combination of two corporations, which may run on for years, and that subsequently the Attorney-General may conclude that it was a violation of the statute, and that it was a proposed by the combiners to be innocent then turns out to be a combination of the statute. The arrivable was a violation of the statute. The arrivable was a violation of the statute. The arrivable which was supposed by the combiners to be innocent then turns out to be a combination in violation of the statute. The arrivable which was supposed by the combiners to be innocent then turns out to be a combination in violation of the statute. The arrivable was a violation of the statute. The arrivable was a violation of the statute. The arrivable was a violation of the statute. The arrivable was supposed by the combiners to be innocent the control of all the realizode of the ward the control of all the country in a single hand? Such a one-ma power could not have been a healthful in the Republic, even though exercising and the general supervision of a statute which might supply the companition of combinations of cap-tail into Federal corporations. They should not the Republic of the Republic of the Republic of the Republic of the Republic ward in the Republic of the Republic of the statute. The arrivable arrivable arrivable and interstate Commission. Do we desire to make such interstate Commission.

The suggestion of the statute of the closest supervision as to their organization of the statute and that it was a violation of the conditions and monopolities are closed under the general supervision of interstate Commission.

The ward the control of all the ceribidity and the combiners to rigid rules as to their organizations. They Corporation Commission Proposed,

EXTRACTS FROM MESSAGE DEFINING ADMINISTRATION'S ATTITUDE TOWARD CORPORA-

TIONS AND THE PREVENTION OF MONOPOLIES.

"The test of reasonableness was never applied by the court at common law to contracts or combinations or conspiracies in restraint of trade whose purpose was or whose necessary effect would be to stifle competition, to control prices, or establish monopolies. The courts never assumed power to say that such contracts or combinations or conspiracies might be lawful if the parties to them were only moderate in the use of the power thus secured and did not exact from the public too great and exorbitant prices. It is true that many theories, and others engaged in business violating the statute, have hoped that some such line could be drawn by courts; but no court of authority has ever attempted it. Certainly there is nothing in the decisions of the latest two cases from which such a dangerous theory of judicial discretion in enforcing this statute can derive the slightest sanction."

rive the slightest sanction."

"Juries have felt averse to convicting for jail sentences, and judges have been most reluctant to impose such (jail) sentences on men of respectable standing in society whose offense has been regarded as merely statutory. Still, as the offense becomes better understod and the committing of it partakes more of studied and deliberate defiance of the law, we can be confident that juries will convict individuals and that

studed and deliberate deliberate of the law, we can be confished that the property and capital of the offending trusts. Methods of punishment by fine or imprisonment of the individual offenders, by find of the corporation or by forfeiture of its goods in transportation, are provided, but the proceeding in equity is a specific remedy to stop the operation of the trust by injunction and prevent the future use of the plant and capital in violation

"Mere else is no sin against the law. The merging of two or more cusiness plants necessarily eliminates competition between the units thus combined, but this elimination is in contravention of the statute only when the combination is made for the purpose of ending this particular competition in order to secure control of, and enhance, prices and create a monopoly."

"I see no objection—and indeed I can see decided advantages—in the enactment of a law which shall describe and denounce methods of competition which are unfair and are badges of the unlawful purpose denounced in the anti-trust law."

"The articipate art is the expression of the effort of a freedom-loving people to preserve equality of on-

"The anti-trust act is the expression of the effort of a freedom-loving people to preserve equality of op-portunity. It is the result of the confident determination of such a people to maintain their future growth by preserving uncontrolled and unrestricted the enterprise of the individual, his industry, his ingenuity, his

intelligence, and his independent courage."

"It is said that the act has not done good. Can this be said in the face of the effect of the Northern Securities decree? That decree was in no way so drastic or inhibitive in detail as either the Standard Oil decree or the Tobacco decree; but did it not stop for all time the then powerful movement toward the control of all the railroads of the country in a single hand?"

"Mere elze is no sin against the law. The merging of two or more business plants necessarily eliminates

"The test of reasonableness was never applied by the court at common law to contracts or combinations

POINTS MADE BY PRESIDENT IN HIS MESSAGE DEALING WITH TRUSTS AND THEIR REGULATION.

Declaring that the Standard Oil and Tobacco Trust decisions wers "epoch-making," the President says that the decrees therein entered furnished useful precedents, and at the same time suggested the need and wisdom of supplementary legislation.

It is declared to be "obviously untrue" that the court emasculated

the anti-trust statute by introducing common law distinctions. "The most extreme critics," says Mr. Taft, "cannot instance a case that ought to be condemned under the statute that is not condemned under

The force and effectiveness of the statute have been a matter of growth. Errors of judgment have been slowly corrected. The decree dissolving the Tobacco Trust is declared to be without

The decree dissolving the Tobacco Trust is declared to be without superior for accomplishing the purpose intended.

The effect of the Supreme Court decisions in the Standard Oil and Tobacco Trust cases has led to decrees dissolving the combination manufacturing electric lamps, and the Southern Wholesale Grocers' Association, besides an interlocutory decree dissolving the Powder Trust. Other combinations are in process of disintegration.

The demand from some quarters for the repeal of the Sherman law is reviewed. The President says that recent decisions have made clear that there is nothing in the statute which condemns mere bigness of plant organized to secure economy of production and a reduction of costs.

Answering a hypothetical question, Mr. Taft says that when men answering a hypothetical question, are rait says that when hen attempt to amass such stupendous capital as will enable them to control prices, suppress competition and establish a monopoly, they know the purpose of their acts. They cannot complain if these motives are disclosed later in the progress of the combination, even if they were not convinced when, in the earlier stages, it appeared that their first

motives were harmless There would be decided advantage in the enactment of a law to "describe and denounce methods of competition which are unfair and are badges of unlawful purpose."

Voluntary Federal incorporation of concerns engaged in interstate and foreign trade is suggested again. In this connection the President quotes from his special message of January 7, 1910, on the same

The courts are in need of administrative expert advice in drafting the decrees of dissolution, and should be empower aid of the Bureau of Corporations for that purpose. empowered to invoke the

A Federal corporation commission is proposed.

The President reiterates that only supplementary constructive leg-

effort of a freedom-loving people to preserve equality of opportunity. It is the result of the confident determination of such a people to maintain their future growth by preserving uncontrolled and unrestricted the enterprise of the individual, his industry, his ingenuity, his inteffigence, and his independent courage.

For twenty years or more this statute has been upon the statute book. All knew its general purpose and approved. Many of its violators were cynical over its assumed importance. It seemed impossible of enforcement. Slowly the mills of the courts ground, and only gradually did the majesty of the law assert itself. Many of its statesmen-authors died before it became a living force, and they and others saw the evil grow which they had hoped to destroy. Now its efficacy is seen; now its power is heavy; now its object is near achievement. Now we hear the call for its repeal on the plea that it interferes with business prosperity, and we are advised in most general terms, how by some other statute and in some other way the evil we are just stamping out can be cured, if we only abandon this work of twenty years and try another experiment for another term of years.

It is said that the act has not done good. Can this be said in the face of the effect of the Northern Securities decree? That decree was in no way so drastic or inhibitive in detail as either the Standard Oil decree or the tobacco decree; but did it not stop for all time the then powerful movement to-

proper combinations of capital."

In the House the reading of the mes saga was interrupted by applause from the Republican side, The Senate received the reading

the message with its usual dignified

CALIFORNIA SOLON SAYS WEST IS WEARY OF YELLOW MEN.

Legislator Would See Congress Keep Japs. Koreans and Asiatics From Shores of United States.

detail as either the Standard Oil decrees or the tobacco decree; but did it not stop for all time the then powerful movement to-ward the control of all the railroads of the country in a single hand? Such a one-man power could not have been a healthful in-fluence in the Republic, even though exer-cised under the general supervision of an interstate Complission.

Interstate Commission.

Do we desire to make such ruthless combinations and monopolies lawful? When all energies are directed, not toward the reduction of the cost of production for the public benefit by a healthful competition.

SACRAMENTO, Cal., Dec. 5.—Sena-tor Sanford, of Mendocino County, who introduced a radical Asiatic exclusion rai healing pine elements. Simply mix resolution at the regular asssion of with sugar syrup or strained honey, in a the Legislature, brought the subject pint bottle, and it is ready for use. before the Senate again today in a resolution in which the California members of Congress are urged to use all their influences toward the pas-sage of a law excluding "Japanese, Koreans and Asiatics," except certified students and travelers."

Congress is asked to pass the ex-clusion bill now before it, "and to give notice to the world that America has at last the determination to protect her own people from the shiftless hordes that have been continually dumped upon her shores." "The people of the Pacific Coast

have become weary and disgusted," says the resolution, "with the unpatriotic and un-American manner in which those in high authority at Washington have been handling the immigration question by truckling and kowtowing to the Mikado of Japan and other for eign powers, whose undersirable sub-jects are becoming more and more a menace to American institutions."

Association as being broader and more

distinctive.

It is planned to have a better fair in 1913 than ever before, and to that end an effort will be made to issue the new premium list as early as February. Superintendents for all the departments will be named early in the year with instructions to get busy in the several months that will intervene be-

MALHEUR COURT UPHELD

State Supreme Legal Body Passes on Various Cases.

SALEM, Or., Dec. 5,-(Special.)-The Supreme Court upheld the court of Mal-heur County, Dalton Briggs, Judge, today, in an opinion by Justice Moore, when it affirmed the appeal from the Circuit Court in its writ of review from the Recorder's Court of Vale as to whether T. A. Barton sold intoxicating liquor without a license.

The case had recouliar features. A

The case had peculiar features. liquor license for Vale was sold to the highest bidder for \$5000 and then an ordinance passed providing for such 11cense, when the Mayor was absent and the President of the Council was in charge. Later the Mayor, upon his return, vetoed the ordinance granting the license. Barton was found guilty of selling liquor without a license. Other opinions of the Supreme Court

today were as follows:

today were as follows:

Jesse T. Purdy va, Judson H. Vankeuren, appealed from Grant County, George E. Davis, Judge: affirmed in an opinion by Justice McBride. This was an action to recover for labor and services.

United States National Bank of Vale vs. First Trust & Savings Bank of Brogan, appealed from Malheur County, Dalton Briggs judge: reversed and remanded in an opinion by Justice Bean. This was an action to recover on two faland hills of exchange.

Pacific Livestock Company vs. Jasper Davis et al., appealed from Harney County, George E. Davis judge; modified in an opinion by Justice Moore. This was a suit to enjoin interference with a flow of water.

MIDDLEMAN HEARS DOOM

Speaker at Farmers' Union at Pendleton Says Utility Is Past.

PENDLETON, Or., Dec. 5.—(Special.)
—"The middleman has been of infinite benefit to the farmer in the past, but times have changed and the middleman must die, because he has outlived his usefulness," declared W. P. Davis, of Union County, in addressing the state meeting of the Farmers' Educational and Co-operative Union of America here this afternoon. He also made a strong plea for a closer alliance and stronger co-operation on the part of the farmers. the farmers. National President C. S. Barrett, of Georgia, did not arrive in time for to-day's sessions, but is expected to be

here tomorrow morning.

This evening the 250 farmers and their wives who are present from various sections of the state are uests of the Pendleton union and the Commercial Association at a banquet.

Homesteaders Get Patents.

SALEM, Or., Dec. 5. - (Special.)-W. C. Hawley, Representative in Con-gress, today received advices from the Commissioner of the General Land Office that patents had been issued to M. B. Fitzpatrick, of Gold Beach, and Reuben Lyon, of North Bend, involving their homestead entries. These were cases in which the entrymen had experienced considerable difficults with contests. Mr. Hawley has been active in assisting homesteaders whom he regarded as acting in good faith and has a number of other cases pend-ing at thistime. Mr. Hawley left for Washington, D. C., tenight.

Republican Leader Mann, who has not always agreed with the President, praised the message. "Pint of Cough Syrup" A Family Supply for 50c, Saving \$2.

The Surest, Quickest Remedy You Ever Used or Money Refunded.

A cough remedy that saves you \$2, and is guaranteed to give quicker, better results than anything else, is surely worth trying. And one trial will show you why Pinex is used in more homes in the U.S. and Canada than any other cough remedy. You will be pleasantly surprised by the way it takes right hold of a cough, giving almost fustant relief. It will usually stop the most obstinate, deep-seated cough in 24 hours, and is unequalled for prompt results in whooping cough.

A 50-cent bottle of Pinex, when mixed

with home-made sugar syrup, makes a full pint of the best cough remedy ever used. Easily prepared in five minutes—directions in package.

The taste is pleasant—children take it

willingly. Stimulates the appetite and is slightly laxative—both excellent features. Splendid for croup, hoarseness, asthma, bronchitis and other throat troubles, and a highly successful remedy for inciplent lung troubles. Pinex is a special and highly concen-trated compound of Norway White Pine extract, rich in gualacol and other natu-

Pinex has often been imitated, but never successfully, for nothing else will

produce the same results. The genuine is guaranteed to give absolute satisfaction or money refunded. Certificate of guar-antee is wrapped in each package. Your sutee is wrapped in each package. Your druggist has Pinez or will gladly get it for you. If not, send to The Pinez Co., Ft. Wayne, Ind.

Pinex is fully guaranteed by Laue-Davis Drug Co. (distributers), Portland.

MAKE YOUR OWN - HAIR TONIC

A SPECIALIST'S ADVICE.

FAIR DIRECTORS ELECTED

Stockholders of Gresham Exposition

Preparing for Next Year.

GRESHAM, Or., Dec. 5.—(Special.)—
Fifteen directors were elected yesterday by the stockholders of the Grange Fair Association, to serve for the next year. The list follows: Lewis Shattuck, R. M. Gill, E. G. Kardell, J. W. Townsend, R. P. Rasmussen, E. L. Thorpe, Theodore Brugger, T. R. Howitt, H. A. Lewis, W. A. Proctor, D. M. Roberts, Charles Cleveland, A. F. Miller, E. S. Jenne, J. H. Lake, The board of directors will meet January 5 for organization and election of officers.

On motion of A. F. Miller another meeting of the stockholders will be held on call of the president to consider a change in name for the association, it is proposed to give it the new title of Multnomah County Fair