

THE MESSAGE OF THE CHIEF OF THE NATION

President Roosevelt Sends to Congress His Recommendations and Statement of Country's Condition---It Is One of the Ablest of State Papers.

He Treats of the Trusts and Says They Must Be Regulated--He Separates the Tariff from the Great Capitalistic Combinations, Recommends a Department of Commerce, and Speaks of Relations of Labor and Capital.

(From Wednesday's Daily.)

To the Senate and House of Representatives: We still continue in a period of unbounded prosperity. This prosperity is not the creature of law, but undoubtedly the laws under which we work have been instrumental in creating the conditions which made it possible, and by unwise legislation it would be easy enough to destroy it. There will undoubtedly be periods of depression. The wave will recede; but the tide will advance. This Nation is seated on a continent flanked by two great oceans. It is composed of men the descendants of pioneers, or, in a sense, pioneers themselves; of men winnowed out from among the nations of the Old World by the energy, boldness, and love of adventure found in their own eager hearts. Such a nation, so placed, will surely wrest success from fortune.

As a people we have played a large part in the world, and we are bent upon making our future even larger than the past. In particular, the events of the last four years have definitely decided that, for woe or for weal, our place must be great among the nations. We may either fall greatly or succeed greatly; but we cannot avoid the endeavor from which either great failure or great success must come. Even if we would, we cannot play a small part. If we should try, all that would follow would be that we should play a large part ignobly and shamefully.

The Gospel of Hope. But our people, the sons of the men of the Civil War, the sons of the men who had iron in their blood, rejoice in the present and face the future high of heart and resolute of will. Ours is not the creed of the weakling and the coward; ours is the gospel of hope and of triumphant endeavor. We do not shrink from the struggle before us. There are many problems for us to face at the outset of the twentieth century--grave problems abroad and still graver at home; but we know that we can solve them and solve them well, provided only that we bring to the solution the qualities of head and heart which were shown by the men who, in the days of Washington, founded this Government, and, in the days of Lincoln, preserved it.

The Country Prosperous. No country has ever occupied a higher plane of material well-being than ours at the present moment. This well-being is due to no sudden or accidental causes, but to the play of the economic forces in this country for over a century to our laws, our sustained and continued policies; above all, to the high individual average of our citizenship. Great fortunes have been won by those who have taken the lead in this phenomenal industrial development, and most of these fortunes have been won not by doing evil, but as an incident to action which has benefited the community as a whole. Never before has material well-being been so widely diffused among our people. Great fortunes have been accumulated, and yet in the aggregate these fortunes are small indeed when compared to the wealth of the people as a whole. The plain people are better off than they have ever been before. The insurance companies, which are practically mutually in this country, especially helpful to men of moderate means--represent accumulations of capital which are among the largest in this country. There are more deposits in the savings banks, more owners of farms, more well-paid wage-workers in this country now than ever before in our history. Of course, when the conditions have favored the growth of so much that was good, they have also favored somewhat the growth of what was evil. It is eminently necessary that we should endeavor to cut out this evil, but let us keep a due sense of proportion; let us not in fixing our gaze upon the lesser evil forget the greater good. The evils are real and some of them are menacing, but they are the outgrowth, not of misery or decadence, but of prosperity--of the progress of our gigantic industrial development. This industrial development must not be checked, but side by side with it should go such progressive regulation as will diminish the evils. We should fall in our duty if we did not try to remedy the evils; but we shall succeed only if we proceed patiently, with practical common sense as well as resolution, separating the good from the bad and endeavoring to get rid of the latter.

Regulate the Trusts. In my Message to the present Congress at its first session I discussed at length the question of the regulation of these big corporations commonly doing an interstate business, often with some tendency to monopoly, which are popularly known as trusts. The experience of the past year has emphasized, in my opinion, the desirability of the steps I then proposed. A fundamental requisite of social efficiency is a high standard of individual energy and excellence; but this is in no wise inconsistent with power to act in combination for aims which cannot so well be achieved by the individual alone. A fundamental base of civilization is the inviolability of property; but this is in no wise inconsistent with the right of society to regulate the exercise of the artificial powers which it confers upon the owners of property, under the name of corporate franchises, in such a way as to prevent the misuse of these powers. Corporations, and especially combinations of corporations, should be managed under public regulation. Experience has shown that under our system of government the necessary supervision cannot be obtained by state ac-

tion. It must therefore be achieved by national action. Our aim is not to do away with corporations; on the contrary, these big aggregations are an inevitable development of modern industrialism, and the effort to destroy them would be futile unless accomplished in ways that would work the utmost mischief to the entire body politic. We can do nothing of good in the way of regulating and supervising these corporations until we fix clearly in our minds that we are not attacking the corporations, but endeavoring to do away with any evil in them. We are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. We draw the line against misconduct, not against wealth. The capitalist who, alone or in conjunction with his fellows, performs some great industrial feat by which he wins money as a welder, not a wrongdoer, provided only he works in proper and legitimate lines. We wish to favor such a man when he does well. We wish to supervise and control his actions only to prevent him from doing ill. Publicity can do no harm to the honest corporation; and we need not be over-tender about sparing the dishonest corporation.

Do Not Strike Down Wealth. In curbing and regulating the combinations of capital which are or may become injurious to the public we must be careful not to stop the great enterprises which have legitimately reduced the cost of production, not to abandon the place which our country has won in the leadership of the international industrial world, not to strike down wealth with the result of closing factories and mines, of turning the wage-worker idle in the streets and leaving the farmer without a market for what he grows. Insistence upon the impossible means delay in achieving the possible, exactly as, on the other hand, the stubborn defense alike of what is good and what is bad in the existing system, the resolute effort to obstruct any attempt at betterment, betrays blindness to the historic truth that wise evolution is the sure safeguard against revolution.

Congress Has Power. No more important subject can come before Congress than this of the regulation of interstate business. This country cannot afford to sit supine on the plea that under our peculiar system of government we are helpless in the presence of the new conditions, and unable to grapple with them or to cut out whatever of evil has arisen in connection with them. The power of the Congress to regulate interstate commerce is an absolute and unqualified grant, and without limitations other than those prescribed by the Constitution. The Congress has constitutional authority to make all laws necessary and proper for executing this power, and I am satisfied that this power has not been exhausted by any legislation now on the statute books. It is evident, therefore, that evils restrictive of commercial freedom and entailing restraint upon national commerce fall within the regulative power of the Congress, and that a wise and reasonable law would be a necessary and proper exercise of Congressional authority to eradicate that such evils should be eradicated.

I believe that monopolies, unjust discriminations, which prevent or cripple competition, fraudulent overcapitalization, and other evils in trust organization, and practices which injuriously affect interstate trade can be prevented under the power of the Congress to regulate commerce with foreign nations and among the several states through regulations and requirements operating directly upon such commerce, the instrumentalities thereof, and those engaged therein. I earnestly recommend this subject to the consideration of the Congress with a view to the passage of a law reasonable in its provisions and effective in its operations, upon which the questions can be finally adjudicated that now raise doubts as to the necessity of constitutional amendment. If it prove impossible to accomplish the purposes above set forth by such a law, then, assuredly, we should not shrink from amending the Constitution so as to secure beyond peradventure the power sought.

The Congress has not heretofore made any appropriation for the better enforcement of the antitrust law as it

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Winter Eczema OR TETTER

Is one of the many varieties of that tormenting disease called Eczema. It slumbers through the summer and breaks out in winter. The head, feet and hands are the parts most often attacked, though it sometimes appears on other parts of the body, the skin hardens, cracks open and bleeds, while the itching and burning is at times almost unbearable. Scratching only makes it worse, sores and scabs forming where the skin is broken.

In this form of Eczema brownish white crusts sometimes form which scale off **SKIN CRACKS** in fine particles, leaving the skin raw **AND BLEEDS** and inflamed. It is especially painful and severe when confined to the hands, which often become so badly affected that the sufferer is unable to perform the lightest work. This, like all other types of Eczema, is due to acid poisons in the blood and not to local causes. The trouble is more than skin deep, and washes, soaps, powders and salves not abating else applied to the surface can possibly do more than soothe the burning and itching or relieve temporarily the inflammation and pain.

It is the acids thrown off by the blood and which are forcing their way through the pores that cause the skin to harden, crack and bleed, and produce the irritation and soreness. S. S. S. neutralizes these acid poisons and cleanses the blood of all irritating substances and humors and does it promptly and effectually. S. S. S. purifies and invigorates the thin acid blood, and builds up the entire system; then the unsightly eruption and sores heal, the skin becomes smooth and soft, and all signs of the Eczema disappear.

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now stands. Very much has been done by the Department of Justice in securing the enforcement of this law, but much more could be done if Congress would make a special appropriation for this purpose, to be expended under the direction of the Attorney-General.

Tariff Question Separate. One proposition advocated has been the reduction of the tariff as a means of reaching the evils of the trusts which fall within the category I have described. Not merely would this be wholly ineffective, but the diversion of our efforts in such a direction would mean the abandonment of all intelligent attempt to do away with these evils. Many of the largest corporations, many of those which should certainly be included in any proper scheme of regulation, would not be affected in the slightest degree by a change in the tariff, save as such change interfered with the general prosperity of the country. The only relation of the tariff to big corporations as a whole is that the tariff makes manufactures profitable, and the tariff remedy proposed would be in effect simply to make manufactures unprofitable. To direct the tariff as a punitive measure, directed against trusts would inevitably result in ruin to the weaker competitors who are struggling against them. Our aim should be foreign products, but by proper regulation to give our domestic competition a fair chance; and this end cannot be reached by any tariff changes which would affect unfavorably all domestic competitors, good and bad alike. The question of regulation of the trusts stands apart from the question of tariff revision.

Protective Principle Right. Stability of economic policy must always be the prime economic need of this country. This stability should not be fossilization. The country has acquiesced in the wisdom of the protective-tariff principle. It is exceedingly undesirable that this system should be destroyed or that there should be violent and radical changes therein. Our past experience shows that great prosperity in this country has always come under a protective tariff; and that the country cannot prosper under fitful tariff changes at short intervals. Moreover, if the tariff laws as a whole work well, and if business has prospered under them and is prospering, it is better to endure inequalities in some schedules than to upset business by too quick and too radical changes. It is most earnestly to be wished that we could treat the tariff from the standpoint solely of our business needs. It is, perhaps, too much to hope that partnership may be entirely excluded from consideration of the subject, but at least it can be made secondary to the business interests of the country--that is, to the interests of our people as a whole. Unquestionably these business interests will best be served if together with fixity of principle as regards the tariff we combine a system which will permit us from time to time to make the necessary reapportionment of the principle to the shifting national needs. We must take scrupulous care that such a reapportionment shall be made in such a way that it will not amount to a displacement of our system, the mere threat of which (not to speak of the performance) would produce paralysis in the business energies of the community. The first would, of course, be to preserve the principle which underlies our whole tariff system--that is, the principle of putting American business interests at least on a full equality with interests abroad, and of always allowing a sufficient rate of duty to more than cover the difference between the labor cost here and abroad. The well-being of the wage-worker, like the well-being of the tiller of the soil, should be treated as an essential in shaping our whole economic policy. There must never be any change which will jeopardize the standard of comfort, the standard of wages of the American wage-worker.

For Reciprocity. One way in which the readjustment sought can be reached is by reciprocity treaties. It is greatly to be desired that such treaties may be adopted. They can be used to widen our markets and to give a greater field for the activities of our producers on the one hand and on the other hand to secure in practical shape the lowering of duties when they are no longer needed for protection among our own people, or when the minimum of damage done may be disregarded for the sake of the maximum of good accomplished. If it prove impossible to ratify the pending

treaties, and if there seem to be no warrant for the endeavor to execute others, or to amend the pending treaties so that they can be ratified, then the same end--to secure reciprocity--should be met by direct legislation.

A Commission of Experts. Wherever the tariff conditions are such that a needed change can not with advantage be made by the application of the reciprocity idea, then it can be made outright by a lowering of duties on a given product. If possible, such change should be made only after the fullest consideration by practical experts, who should approach the subject from a business standpoint, having in view both the particular interests affected and the commercial well-being of the people as a whole. The machinery for providing such careful investigation can readily be supplied. The executive department has already at its disposal methods of collecting facts and figures; and if the Congress desires additional consideration to that which will be given the subject by its own committees, then a commission of business experts can be appointed whose duty it should be to recommend action by the Congress after a deliberate and scientific examination of the various schedules as they are affected by the changed and changing conditions. The unhurried and unbiased report of this commission would show what changes should be made in the various schedules, and how far these changes could go without also changing the great prosperity which this country is now enjoying, or upsetting its fixed economic policy.

The cases in which the tariff can produce a monopoly are so few as to constitute an inconsiderable factor in the question; but of course if in any case it be found that a given rate of duty does promote a monopoly which works ill, no protectionist would object to such reduction of the duty as would equalize competition.

Take Off this Tariff. In my judgment, the tariff on anthracite coal should be removed, and anthracite put actually, where it now is nominally, on the free list. This would have no effect at all save in crises; but in crises it might be of service to the people.

More Bank Currency. Interest rates are a potent factor in business activity, and in order that these rates may be equalized to meet the varying needs of the seasons and of widely separated communities, and to prevent the recurrence of financial stringencies which injuriously affect legitimate business, it is necessary that there should be an element of elasticity in our monetary system. Banks are the natural servants of commerce, and upon them should be placed, as far as practicable, the burden of furnishing and maintaining a circulation adequate to supply the needs of our diversified industries and of our domestic and foreign commerce; and the issue of this should be so regulated that a sufficient supply should be always available for the business interests of the country. It would be both unwise and unnecessary at this time to attempt to reconstruct our financial system, which has been the growth of a century; but some additional legislation is, I think, desirable. The mere outline of any plan sufficiently comprehensive to meet these requirements would transgress the appropriate limits of this communication. It is suggested, however, that all future legislation on the subject should be with the view of encouraging the use of such instrumentalities as will automatically supply every legitimate demand of productive industries and of commerce, not only in the amount, but in the character of circulation; and of making all kinds of money interchangeable, and, at the will of the holder, convertible into the established gold standard.

Better Immigration Law. I again call your attention to the need of passing a proper immigration law, covering the points outlined in my Message to you at the first session of the present Congress; substantially such a bill has already passed the House.

Capital and Labor. How to secure fair treatment alike for labor and for capital, how to hold in check the unscrupulous man, whether employer or employe, without weakening individual initiative, without hampering and cramping the industrial development of the country, a problem fraught with great difficulties and one which it is of the highest importance to solve on lines of sanity and of far-sighted common sense as well as of devotion to the right. This is an era of federation and combination. Exactly as business men find they must often work through corporations, and as it is a constant tendency of these corporations to grow larger, so it is often necessary for laboring men to work in federations, and these have become important factors of modern industrial life. Both kinds of federation, capitalistic and labor, can do much good, and as a necessary corollary they can both do evil. Opposition to each kind of organization should take the form of opposition to whatever is bad in the conduct of any given corporation or union--not of attacks upon corporations as such nor upon unions as such; for some of the most far-reaching beneficent work for our people has been accomplished through both corporations and unions. Each must refrain from arbitrary or tyrannous interference with the rights of others. Organized capital and organized labor alike should remember that in the long run the interest of each must be brought into harmony with the interest of the general public; and the conduct of each must conform to the fundamental rules of justice, to the law, of individual freedom, and of justice and fair dealing toward all. Each should remember that in addition to power it must strive after the realization of healthy, lofty, and generous ideals. Every employer, every wage-worker, must be guaranteed his liberty and his right to do as he likes with his property or his labor so long as he does not infringe upon the rights of others. It is of the highest importance that employer and employe alike should endeavor to appreciate each the viewpoint of the other and the sure disaster that will come upon both in the long run if either grows to take as habitual an attitude of sour hostility and distrust toward the other. Few people deserve better of the country than those representatives both of capital and labor--and there are many such--who work continually to bring about a good understanding of this kind, based upon wisdom and upon broad and kindly sympathy between employers and em-

Something good for Christmas

During the holiday season, when good cheer everywhere prevails, there is nothing more to have in the home than a little good whiskey, and besides, your physician will tell you it is excellent in many cases of sickness. But you must have good whiskey, pure whiskey. You don't want to drink poor whiskey yourself, much less offer it to your friends, while as a medicine, poor whiskey, adulterated whiskey, may do you decided harm.

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ployed. Above all, we need to remember that any kind of class animosity in the political world is, if possible, even more wicked, even more destructive to national welfare, than sectional, race, or religious animosity. We can get good government only upon condition that we keep true to the principles upon which this Nation was founded, and judge each man not as a part of a class, but upon his individual merits. All that we have a right to ask of any man, rich or poor, whatever his creed, his occupation, his birthplace, or his residence, is that he shall act well and honorably by his neighbor and by his country. We are neither for the rich man-as such nor for the poor man as such; we are for the upright man, rich or poor. So far as the constitutional powers of the National Government touch these matters of general and vital moment to the Nation, they should be exercised in conformity with the principles above set forth.

A Secretary of Commerce. It is earnestly hoped that a secretary of commerce may be created, with a seat in the Cabinet. The rapid multiplication of questions affecting labor and capital, the growth and complexity of the organizations through which both labor and capital now find expression, the steady tendency toward the employment of capital in huge corporations, and the wonderful strides of this country toward leadership in the international business world justify an urgent demand for the creation of such a position. Substantially all the leading commercial bodies in this country have united in requesting its creation. It is desirable that some such measure as that which has already passed the Senate be enacted into law. The creation of such a department would, in itself be an advance toward dealing with and exercising supervision over the whole subject of the great corporations doing an interstate business; and with this end in view, the Congress should endow the department with large powers, which could be increased as experience might show the need.

Cuban Reciprocity. I hope soon to submit to the Senate a reciprocity treaty with Cuba. On May 29th last the United States kept its promise to the island by formally vacating Cuban soil and turning Cuba over to those whom her own people had chosen as the first officials of the new Republic.

Cuba lies at our doors, and whatever affects her for good or for ill affects us also. So much have our people felt this that in the Platt amendment we definitely took the ground that Cuba must hereafter have closer political relations with us than with any other power. Thus in a sense Cuba has become a part of our international political system. This makes it necessary that in return she should be given some of the benefits of becoming part of our economic system. It is, from our standpoint, a short-sighted and mischievous policy to fail to recognize this need. Moreover, it is unworthy of a mighty and generous nation, itself the greatest and most successful republic in history, to refuse to stretch out a helping hand to a young and weak sister republic just entering upon its career of independence. We should always, fearlessly insist upon our rights in the face of the strong, and we should with ungrudging hand do our generous duty by the weak. I urge the adoption of reciprocity with Cuba not only because it is eminently for our own interests to control the Cuban market and by every means to foster our supremacy in the tropical lands and waters south of us, but also because we, of the giant republic of the north, should make all our sister nations of the American Continent feel that when they will permit it we desire to show ourselves disinterestedly and effectively their friend.

Reciprocity with Newfoundland. A convention with Great Britain has been concluded, which will be at once laid before the Senate for ratification, providing for reciprocal trade arrangements between the United States and Newfoundland on substantially the lines of the convention formerly negotiated by the Secretary of State, Mr. Blaine. I believe reciprocal trade relations will be greatly to the advantage of both countries.

The Hague Court. As civilization grows warfare becomes less and less the normal condition of foreign relations. The last century has seen a marked diminution of wars between civilized powers; wars with uncivilized powers are largely new matters of international police duty, essential for the welfare of the

The Philippine Cable. During the fall of 1901 a communication was addressed to the Secretary of State, asking whether permission would be granted by the President to a corporation to lay a cable from a point on the California coast to the Philippine Islands by way of Hawaii. A statement of conditions or terms upon which such a corporation would undertake to lay and operate a cable was volunteered.

Inasmuch as the Congress has shortly to convene, and Pacific cable legislation had been the subject of consideration by the Congress for several years, it seemed to me wise to defer action upon the application until the Congress had first an opportunity to act. The Congress adjourned without taking any action, leaving the matter in exactly the same condition in which it stood when the Congress convened.

Meanwhile it appears that the Commercial Pacific Cable Company had promptly proceeded with preparations for laying its cable. It also made application to the President for access to and use of soundings taken by the U. S. S. Nero, for the purpose of discovering a practicable route for a trans-Pacific cable, the company urging that with access to these soundings it could complete its cable much sooner than if

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