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## THE MESSAGE.

Washington, D. C.—The President's Message was read before both the Senate and the House, following the opening of Congress. It is, in part, as follows:

To the Senate and House of Representatives: The financial standing of the Nation at the present time is excellent, and the financial management of the Nation's interests by the Government during the last seven years has shown the most satisfactory results. But our currency system is imperfect, and it is earnestly to be hoped that the Currency Commission will be able to propose a thoroughly good system which will do away with the existing defects.

The President's Message then states that during the past seven years and three months there has been a net surplus of nearly one hundred millions of receipts over expenditures, a reduction of the interest bearing debt by ninety millions, in spite of the extraordinary expense of the Panama Canal, and a saving of nearly nine millions on the annual interest charge. This is an exceedingly satisfactory showing, especially in view of the fact that during this period the Nation has never hesitated to undertake any expenditure that it regarded as necessary. There have been no new taxes and no increases of taxes; on the contrary some taxes have been taken off, there has been a reduction of taxation.

As regards the great corporations engaged in interstate business, and especially the railroads, I can only repeat what I have already said and again said in my messages to the Congress. I believe that under the interstate clause of the Constitution the United States has complete and paramount right to control all agencies of interstate commerce, and I believe that the National Government alone can exercise this right with wisdom and effectiveness so as both to secure justice from, and to do justice to, the great corporations which are the most important factors in modern business. I believe that it is worse than folly to attempt to prohibit all combinations as is done by the Sherman anti-trust law, because such a law can be given to some agency of the National Government full power of control and supervision over them. One of the chief features of this control should be securing entire publicity in all matters which the public has a right to know, and furthermore, the power, not by judicial but by executive action, to prevent or put a stop to every form of improper favoritism or other wrongdoing.

The railroads of the country should be put completely under the Interstate Commerce Commission and removed from the domain of the anti-trust law. The power of the Commission should be made thoroughgoing, so that it could exercise complete supervision and control over the issue of securities as well as over the raising and lowering of rates. As regards rates, at least, this power should be summary. The power to investigate the financial operations and accounts of the railroads has been one of the most valuable features in recent legislation. Power to make combinations and traffic agreements should be explicitly conferred upon the railroads, the permission of the Commission being first gained and the combination or agreement being published in all its details. In the interest of the public the representatives of the public should have complete power to see that the railroads do their duty by the public, and as a matter of course this power should also be exercised so as to see that no injustice is done to the railroads. The shareholders, the employees and the shippers all have interests that must be guarded. It is to the interest of all of them that no swindling stock speculation should be allowed, and that there should be no improper issuance of securities. The guiding intelligence necessary for the successful building and successful management of railroads should receive ample remuneration, but no man should be allowed to make money in connection with railroads out of fraudulent over-capitalization and kindred stock gambling performances; there must be no defrauding of investors, oppression of the farmers and business men who ship freight, or callous disregard of the rights and needs of the employees. In addition to this the interests of the shareholders, of the employees, and of the shippers should all be guarded as against one another. To give any one of them undue and improper consideration is to do injustice to the others. Rates must be made as low as is compatible with giving proper returns to all the employees of the railroad, from the highest to the lowest, and proper returns to the shareholders, but they must not, for instance, be reduced in such fashion as to necessitate a cut in the wages of the employees or the abolition of the proper and legitimate profits of honest shareholders.

Telegraph and telephone companies engaged in interstate business should be put under the jurisdiction of the Interstate Commerce Commission. It is very earnestly to be wished that our people, through their representatives, should act in this matter. It is hard to say whether most damage to the country at large would come from entire failure on the part of the public to supervise and control the actions of the great corporations,

or from the exercise of the necessary governmental power in a way which would do injustice and wrong to the corporations. Both the preacher of an unrestricted individualism and the preacher of an oppression which would deny to able men of business the just reward of their initiative and business sagacity, are advocating policies that would be fraught with the gravest harm to the whole country.

It is to the interest of all of us that there should be a premium put upon individual initiative and individual capacity, and an ample reward for the great directing intelligences alone competent to manage the great business operations of to-day. It is well to keep in mind that exactly as the anarchist is the worst enemy of liberty and the reactionary the worst enemy of order, so the men who defend the rights of property have most to fear from the wrongdoers of great wealth, and the men who are championing popular rights have most to fear from the demagogues who in the name of popular rights would do wrong to oppress honest business men, honest men of wealth; for the success of either type of wrongdoer necessarily invites a violent reaction against the cause the wrongdoer nominally appeals to. In the eyes of the Nation there is nothing to choose between on the one hand the corruptor, the bribe-giver, the bribe-taker, the man who employs his great talent to swindle his fellow-citizens on a large scale, and, on the other hand, the preacher of class hatred, the man who, whether from ignorance or from willingness to sacrifice his country to his ambition, persuades the ignorant and the gullible to try to destroy the instruments upon which our prosperity mainly rests. Let each group of men beware of and guard against the shortcomings to which that group is itself most liable.

The opposition to Government control of these great corporations makes its most effective effort in the shape of an appeal to the old doctrine of States' rights. Of course there are many sincere men who now believe in unrestricted individualism in business, just as there were formerly many sincere men who believed in slavery—that is, in the unrestricted right of an individual to own another individual. These men do not by themselves have great weight, however. The effective fight against adequate Government control and supervision of individual, and especially of corporate, wealth engaged in interstate business is chiefly done under cover, and especially under cover of an appeal to States' rights. It is not at all infrequent to read in the same speech a denunciation of predatory wealth fostered by special privileges and dominant of both the public welfare and law of the land, and a denunciation of centralization in the Central Government of the power to deal with this centralized and organized wealth. Of course the policy set forth in such twin denunciations amounts to absolutely nothing, for the first half is nullified by the second half. The chief reason, among the many sound and compelling reasons that led to the formation of the National Government, was the absolute need that the Union, and not the several States, should deal with interstate and foreign commerce; and the power to deal with interstate commerce was granted absolutely and plainly to the Central Government, and was exercised completely as regards the only instruments of interstate commerce and dominant of both the public welfare and law of the land, and a denunciation of centralization in the Central Government of the power to deal with this centralized and organized wealth. Of course the policy set forth in such twin denunciations amounts to absolutely nothing, for the first half is nullified by the second half. The chief reason, among the many sound and compelling reasons that led to the formation of the National Government, was the absolute need that the Union, and not the several States, should deal with interstate and foreign commerce; and the power to deal with interstate commerce was granted absolutely and plainly to the Central Government, and was exercised completely as regards the only instruments of interstate commerce and dominant of both the public welfare and law of the land, and a denunciation of centralization in the Central Government of the power to deal with this centralized and organized wealth.

We do not object to the concentration of wealth and administration; but we do believe in the distribution of the wealth in profits to the owners and in securing to the public the full benefit of the concentrated administration. We believe that with concentration in administration there can come both the advantage of a larger ownership and of a more equitable distribution of profits, and at the same time a better service to the commonwealth.

Many laws are needed. There should be regulation by the National Government of the great interstate corporations, including a simple method of account keeping, publicity, supervision of the issue of securities, abolition of rebates and of special privileges. There should be short time franchises for all corporations engaged in public business; including the corporations which get power from water rights. There should be National as well as State guardianship of mines and forests.

In hand, one bent on progress, the other bent on seeing that no change should be made in the right direction. I believe in a steady effort, or perhaps it would be more accurate to say in steady efforts in many different directions, to bring about a condition of affairs under which the men who work with hand or brain, the laborers, the superintendents, the men who produce for the market and the men who find a market for the articles produced, shall own a far greater share than at present of the wealth they produce, and be enabled to invest in the tools and instruments by which all work is carried on. As far as possible I hope to see a frank recognition of the advantages conferred by machinery, organization, and division of labor, accompanied by an effort to bring about a larger share in the ownership by wage-workers in corporations is a good thing, for the same reasons; and where the employees are the stockholders the result is particularly good. Very much of this movement must be outside of anything that can be accomplished by legislation; but legislation can do a good deal. Postal savings banks will make it easy for the poorest to keep their savings in absolute safety. The regulation of the national highways must be such that they shall serve all people with equal justice. Corporate finances must be supervised so as to make it far safer than at present for the man of small means to invest his money in stocks. There must be prohibition of child labor, diminution of woman labor, shortening of hours of all mechanical labor; stock watering should be prohibited, and stock gambling so far as possible discouraged. There should be a progressive inheritance tax on large fortunes. Industrial education should be encouraged. As far as possible we should lighten the burden of taxation on the small man.

We should put a premium upon thrift, hard work and honest energy. Doing in a quiet way the main factors in accumulating a fortune long before that fortune reaches a point where it would be seriously affected by any inheritance tax such as I propose. It is eminently right that the Nation should fix the terms upon which the great fortunes are inherited. They rarely do good and they often do harm to those who inherit them in their entirety. The President then devotes a chapter to "protection for wage-workers." He says there should be no paltering with the question of taking care of those who become crippled or worn out in our industrial system. He urges proper employers' liability laws. He also calls attention to the steps toward providing old-age pensions that have been taken by many private industries. He urges Congress to pass a comprehensive employers' liability law for the District of Columbia.

The President devotes much space to the subject of the courts. First he urges increased pay for our judges and then says:

It is earnestly to be desired that some method should be devised for doing away with the long delays which now obtain in the administration of justice, and which operate with peculiar severity against persons of small means, and favor only the very criminals whom it is most desirable to punish. These long delays in the final decisions of cases make in the aggregate a crying evil, and a remedy should be devised, not by private litigation but by the improvement of the judicial system, which are a mere hindrance to justice. In some noted recent cases this over-regard for technicalities has resulted in a striking denial of justice, and flagrant wrong to the body politic.

At the last election certain leaders of organized labor made a violent attack upon the entire judiciary of the country, an attack couched in such terms as to include the most upright, honest and broad-minded judges, no less than those of narrower mind and more restricted outlook. It was the kind of attack admirably fitted to prevent any successful attempt to reform abuses of the judiciary, because it gave the champions of the unjust judge their eagerly desired opportunity to shift their ground into a championship of just judges who were unjustly assailed. Last year, before the House Committee on the Judiciary, these same labor leaders formulated their demands, specifying the bill that contained them, refusing all compromise, stating they wished the principle of that bill or nothing. They insisted on a provision that in a labor dispute an injunction should issue except to protect a property right, and specifically provided that the right to carry on business should not be construed as a property right, and in a second provision their bill made legal in a labor dispute any act or agreement by a single person. In other words, this bill legalized blacklisting and boycotting in every form, legalizing, for instance, those forms of the secondary boycott which the United States strike commission has so emphatically condemned; while the

carry on a business was explicitly taken out from under that protection which the law throws over property. The demand was made that there should be trial by jury in contempt cases, thereby most seriously impairing the authority of the courts. All this represented a course of policy which, if carried out, would mean the enthronement of class privilege in its crudest and most brutal form, and the destruction of one of the most essential functions of the judiciary in all civilized lands.

The wage-workers, the workmen, the laboring men of the country by the way in which they repudiated the effort to get them to cast their votes in response to an appeal to class hatred, have emphasized their sound patriotism and Americanism. The whole country has cause to feel pride in this attitude of sturdy independence, in this uncompromising insistence upon acting simply as good citizens for good Americans, without regard to fancied—and improper—class interests. Such an attitude is an object lesson in good citizenship to the entire nation.

But the extreme reactionaries, the persons who blind themselves to the wrongs now and then committed by the courts on laboring men, should also think seriously as to what such a movement as this portends. The judges who have shown themselves able and willing effectively to check the dishonest activity of the very rich man who works inequity by the mismanagement of corporations, who have shown themselves alert to do justice to the wage-worker, and sympathetic with the needs of the mass of our people, so that the dweller in the tenement houses, the man who practices a dangerous trade, the man who works an unsafe machine, the laborer, feel that their needs are understood by the courts—these judges are the real bulwark of the courts; these judges, the judges of the stamp of the President-elect, who have been fearless in opposing labor when it has gone wrong, but fearless also in holding to strict account corporations that work inequity, and far sighted in seeing that the workingman gets his rights, are the men of all others to whom we owe it that the appeal for such violent and mistaken legislation has fallen on deaf ears, that the agitation for its passage proved to be without substantial basis. The courts are jeopardized primarily by the action of these Federal and State judges who show inability or unwillingness to put a stop to the wrongdoing of corporations under modern industrial conditions, and inability or unwillingness to give relief to men of small means or wage-workers who are crushed down by these modern industrial conditions; who, in other words, fail to understand and apply the needed remedies for the new wrongs produced by the new and highly complex social and industrial civilization which has grown up in the last half century.

There are certain decisions by various courts which have been exceedingly detrimental to the rights of wage-workers. This is true of all the decisions that decide that men and women are, by the Constitution, "guaranteed their liberty," to contract to enter a dangerous occupation, or to work an unsafe or improper number of hours, or to work in unhealthy surroundings, and therefore can not recover damages when maimed in that occupation, and can not be forbidden to work what the Legislature decides is an excessive number of hours, or to carry on the work under conditions which the Legislature decides to be unhealthy. These, also, I think, grow from the belief that substantial justice is often suffered by employees in consequence of the custom of courts issuing temporary injunctions without notice to them, and punishing them for contempt of court in instances where, as a matter of fact, they have no knowledge of any proceedings. Outside of organized labor there is a widespread feeling that this system of great injustice to wage-workers when their efforts to better their working condition results in industrial disputes. A temporary injunction proceured ex parte may as a matter of fact have all the effect of a permanent injunction in causing disaster to the wage-workers' side in such a dispute. Organized labor is being crushed under the unjust restraint which comes from repeated resort to this plan of procedure. Its discontent has been unwisely expressed, and often improperly expressed, but there is a sound basis for it, and the orderly and law abiding people of a community would be in a far stronger position for upholding the courts if the undoubtedly existing abuses could be properly corrected.

The power of injunction is a great equitable remedy, which should on no account be destroyed. But safeguards should be erected against its abuse. For many of the shortcomings of justice in our country our people as a whole are themselves to blame, and the judges and juries merely bear their share together with the public as a whole. It is discreditable to us as a people that there should be difficulty in convicting murderers, or in bringing to justice men who as public servants have been guilty of corruption, or who have profited by the corruption of public servants. The result is equally unfortunate, whether due to hair-splitting technicalities in the interpretation of law by judges, to sentimentality and class consciousness on the part of juries, or to hysteria and sensationalism in the daily press. For much of this failure of justice no responsibility whatever lies on rich men as such. We who make up the mass of the people can not avoid our responsibility for our own failures which has especially to do with the wealth who behave

The chief breakdown is in dealing with the new relations that arise from the mutualism, the interdependence of our time. Every new social relation begets a new type of wrongdoing—of sin, to use an old-fashioned word—and many years always elapse before society is able to turn this sin into crime which can be effectively punished at law. During the lifetime of the older men now alive the social relations have changed far more rapidly than in the preceding two centuries. The immense growth of corporations, of business done by associations, and the extreme strain and pressure of modern life, have produced conditions which render the public confused as to who its really dangerous foes are; and among the public servants who have not only shared this confusion, but by some of their acts have increased it, are certain judges. Marked inefficiency has been shown in dealing with corporations and in re-setting the proper attitude to be taken by the public not only toward corporations, but toward labor, and toward the social questions arising out of the factory system, and the enormous growth of our great cities.

The huge wealth that has been accumulated by a few individuals of a social and industrial revolution, has been as regards some of these individuals made possible only by the improper use of the modern corporation. A certain type of modern corporation, with its officers and agents, its many issues of securities, and its constant consolidation with allied undertakings, finally becomes an instrument so complex as to contain a greater number of elements that, under various judicial decisions, lend themselves to fraud and oppression than any device yet evolved in the human brain. Corporations are necessary instruments of modern business. They have been permitted to become a menace largely because the governmental representatives of the people have worked slowly in providing for adequate control over them.

The chief offender in any given case may be an executive, a Legislator or a judge. Every executive head who advises violent, instead of gradual, action, or who advocates ill-considered and sweeping measures of reform (especially if they are tainted with vindictiveness, and disregard for the rights of the minority) is particularly blameworthy. The several legislatures are responsible for the fact that our laws are often prepared with slovenly haste and lack of consideration. Moreover, they are often prepared, and still more frequently amended during passage, by the suggestion of the very parties against whom they are afterward enforced. Our great clusters of corporations, huge trusts and fabulously wealthy multimillionaires, employ the very best lawyers they can obtain to pick flaws in these statutes after their passage, but they also employ a class of secret agents who seek, under the advice of experts, to render hostile legislation innocuous by making it unconstitutional, often through the device of what appear on their face to be drastic and sweeping provisions against the interests of the parties inspiring them; while the demagogues, the corrupt creatures who introduce blackmailing schemes to "strike" corporations, and all who demand extreme, and undesirably radical, measures, show themselves to be the worst enemies of the very public whose loud mouthed champions they profess to be.

Real damage has been done by the manifold and conflicting interpretations of the interstate commerce law. Control over the great corporations doing interstate business can be effective only if it is vested with full power in an administrative department, a branch of the Federal executive, carrying out a Federal law; it can never be effective if a divided responsibility is left in both the States and the Nation; it can never be effective if left in the hands of the courts to be decided by lawsuits. In no other nation in the world do the courts wield such vast and far-reaching power as in the United States. All that is necessary is that the courts as a whole should exercise this power with the far-sighted wisdom which can see the future while they act in the present. Let them exercise this great power not only honestly and bravely, but with wise insight into the needs and fixed purposes of the people, so that they may do justice, and work equity, so that they may protect all persons in their rights, and yet break down the barriers of privilege, which is the foe of right.

The President devotes a long chapter to the subject of forests, declaring that if there is one duty which more than another we owe to our children and our children's children, it is to save the forests of this country, for they constitute the first and most important element in the conservation of our natural resources. The Message then turns to inland waterways and maintenance that action for their improvement should begin forthwith. It is also urged that all our National parks adjacent to National forests be placed under the control of the forest service of the Agricultural Department. I am happy to say, continues Mr. Roosevelt, that I have been able to set aside in various parts of the country small, well-chosen tracts of ground to serve as sanctuaries and nurseries for wild creatures.

The Message announces that the use in the arts and industries of denatured alcohol is making fair progress and the law making it possible is entitled to further support from the Congress. According to the President, the pure food legislation has already worked a benefit difficult to overestimate. In the paragraph on the Indian service the Message tells how it has been completely removed

from the atmosphere of political activity and the ground cleared for larger constructive work to prepare the Indians for responsible citizenship.

The President regrets that an amendment was incorporated in the measure providing for the Secret Service forbidding details and transfers therefrom. He declares it is of benefit only to the criminal classes. He renews his recommendations for postal savings banks and urges an extension of the parcel post on the rural routes. He declares that the unfortunate state of affairs as regards the National educational office be remedied by adequate appropriations. He strongly urges that the supervisors and enumerators for the approaching Census be not appointed under the Civil Service law, but that appointments to the force be done under that law, geographical requirements being waived. The President maintains that there should be intelligent action on the question of preserving the health of the country and suggests a redistribution of the health bureaus. He recommends the placing of the Government Printing Office under the Department of Commerce and Labor and the various Soldiers' Homes under the War Department. He advocates the immediate admission of New Mexico and Arizona as separate States. Mr. Roosevelt then writes of the interstate fisheries problem, saying that those matters which no particular State can control Congress ought to control. The statute regarding game should include fish, and the fur-seal service should be vested in the Bureau of Fisheries.

In regard to our foreign policy he announces that it is based on the theory that right must prevail between nations, between individuals and then urges the special claims of Latin-American Republics to our attention. The Message states that the Panama Canal is being dug with speed and efficiency and then recommends the extension of ocean mail lines to South America, Asia, the Philippines and Australasia. Attention is called to the admirable condition of Hawaii, where coolie labor has practically ceased and Pearl Harbor is being made a lava base with the necessary military fortifications. Real progress, the President continues, toward self-government is being made in the Philippines, but it would be worse than folly to prophesy the exact date when it will be wise to consider independence as a fixed and definite policy. It is recommended that American citizenship be conferred upon the people of Porto Rico and announcement is made that our occupation of Cuba will end in about two months' time. The Cubans are warned that they must govern themselves within in order to avoid government from without. The President hopes Americans will do what is possible to make the Japanese Exposition of 1917 a success and then thanks Japan, Australia, New Zealand and the States of South America for their hospitality to the battle fleet.

Mr. Roosevelt urges the passage of the bill to promote army officers at reasonable ages through a process of selection and declares the cavalry should be reorganized as a fixed and definite unit. We have not enough infantry and artillery and attention should be centered on the machine gun. A general service corps should be established. It behooves the Government to perfect the efficiency of the National Guard as a part of the National forces and Congressional aid should be extended to those who are promoting rifle practice—teaching our men to shoot.

In regards to the navy, the President recommends the increase suggested by the General Board and thinks the General Board should be turned into a General Staff. He urges that two hospital ships be provided and then concludes his Message as follows:

Nothing better for the Navy from every standpoint has ever occurred than the cruise of the battle fleet around the world. The improvement of the ships in every way has been extraordinary, and they have gained far more experience in battle tactics than they would have gained if they had stayed in the Atlantic waters. The American people have cause for profound gratification, both in view of the excellent condition of the fleet as shown by this cruise, and in view of the improvement of the cavalry and worked in this already high condition. I do not believe that there is any other service in the world in which the average of character and efficiency in the enlisted men is as high as is now the case in our own. I believe that the same statement can be made as to our officers, taken as a whole; but there must be a reservation made in regard to those in the highest ranks—as to which I have already spoken—and in regard to those who have just entered the service; because we do not now get full benefit from our excellent naval school at Annapolis. It is absurd not to graduate the midshipmen as ensigns; to keep them for two years in such an anomalous position as at present the law requires is detrimental to them and to the service. In the academy itself, every first class man should be required in turn to serve as petty officer and officer; his ability to discharge his duties as such should be a prerequisite to his going into the line, and his success in commanding should largely determine his standing at graduation. The Board of Visitors should be appointed in January, and each member should be required to give at least six days' service, only from one to three days to be performed during June week, which is the least desirable time for the Board to be at Annapolis so far as benefiting the navy by their observations is concerned.

THEODORE ROOSEVELT.  
The White House.