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ANNUAL MESSAGE

CAUSES OF THE PRESENT FINANCIAL CONDITIONS IS MADE THE CHIEF TOPIC.

SUGGESTS REMEDIES FOR ILLS

CONTROL OF CORPORATIONS AND RAILROADS, TO PREVENT OVERCAPITALIZATION

Believes This Would Have the Effect of Leaving Together with Provision for Issue of More, Elastic Currency—Recommends Postal Banks and Asks for Legislation Along Many Lines.

Washington, Dec. 3.—President Roosevelt's annual message to congress was sent to congress in a document of nearly 20,000 words, by far the longest message he has ever submitted to congress. The opening subject of the message is the financial condition of the country, and for which the president lays much of the blame upon unscrupulous Wall Street speculators, and says:

"In any large body of men, however, there are certain to be some who are dishonest, and if the conditions are such that these men prosper or compare their methods with impunity, their example is a very evil thing for the community. Where these men are business men of great sagacity and of temperament both unscrupulous and reckless, and where the conditions are such that the effort to establish a monopoly control and then without competitive check from public opinion, they delude many innocent people into making investments of widely varying kinds in business that are really unsound, the mischief done is doubly great. Many disinterested men are deeply suffering owners not only upon themselves but upon the innocent men whom they have misled. It is a grievous and shameful wrong whenever it occurs; and naturally has been of close kin to those who suffer are apt to forget that the wrong-doer should be deferred the more critical it would be in this effort to punish the guilty. The men who have caused the disaster should be, so far as possible, to minimize the distress of those who have been misled by the guilty. It is a misfortune that such a refrain because of such distress from striking at him at the end of the chain that are the ultimate causes of the suffering, and as a means to this end, should be possible to punish those responsible for them. The honest and efficiency of opinion as to many governmental policies, but surely there can be but such difference as to the need of unflinching perseverance in this war against successful dishonesty."

He quite at the outset of his message of last year in which he advocated federal control of corporations doing interstate business, stating that in such control would be found the remedy for overcapitalization, and for wild speculation. Events have brought about the present financial conditions. He says:

"Our steady aim should be by legislation, cautiously and carefully undertaken, but resolutely persevered in, to assert the sovereignty of the national government in its proper sphere.

"This is only in form an innovation. In substance it is merely a restoration; for from the earliest time down to the action of industrial activities has been recognized in the action of the law-making bodies, and in all that I propose is to meet the changed conditions in such manner as will prevent the commonwealth from losing the power it has always possessed, not only in this country, but also in England before and since this country became a separate nation.

Federal Control of Railroads Is Favored.

"No small part of the trouble that we have come from carrying to an extreme the national virtue of self-reliance of independence in initiative and of the love of power of self-government. There is no wish to conserve this virtue and to provide for its healthy exercise, compatible with seeing that liberty does not become liberty to do wrong others. Unfortunately, from the kind of liberty that the lack of all effective control inevitably breeds. The founders of the constitution provided that the national government should have exclusive and sole control of interstate commerce. These framers practically no interstate business have such as was conducted by water, and this the national government always once proceeded to regulate in thorough-going and effective fashion. Conditions have now so wholly changed that the interstate commerce by water is insignificant compared with the amount that goes by land, and almost all big business concerns are now engaged in interstate commerce. As a result, it can be but partially and imperfectly controlled or regulated by the action of any one of the several states, such action inevitably tending to be either too drastic or else too lax, and in either case ineffective for purposes of justice. Only the national government can in thoroughgoing fashion exercise the needed control. There does not mean that there should be any extension of federal authority, for such authority already exists under the constitution in amplest and most far-reaching form, but it does mean that there should be an extension of federal activity. This is not advocating centralization, it is merely looking facts in the face, and realizing that centralization in business has already come and can not be avoided or undone, and that the public at large can only protect itself from certain evil effects of this business centralization by providing better methods for the exercise of control through the authority already centralized in the national government by the constitution itself. There can be no halt in the healthy constructive policy of action which this nation has elected to pursue, and has steadily pursued, during the last six years, as shown both in the legislation of the congress and the administration of the law by the department of justice. The most vital need is in connection with the railroads. As to these, my judgment there should now be either a national incorporation act or a law licensing railway companies to engage in interstate commerce upon certain conditions. The law should be so framed as to give to the interstate commerce commission power to pass upon the future issues of securities, while ample means should be provided to enable the commission, whenever in its judgment it is necessary, to make a physical valuation of any railroad. As I stated in my message to the congress a year ago, railroads should be given power to enter into agreements, subject to these agreements being made public in minute detail and to the consent of the interstate commerce commission being first obtained. Until the national government assumes proper control of interstate commerce, in this exercise it is the authority it already possesses, it will be impossible either to give to or to get from the railroads full justice. The railway companies and all other great corporations will fail to recognize that this control must come; the only question lies in what governmental body can most wisely exercise it. The courts will determine the limits within which the federal authority can exercise it, and there will still remain ample work within each state for the railway commission of that state; and the national interstate commerce commission will work in harmony with the several state commissions, each within its own province, to achieve the desired end.

Control of Industrial Combinations Business Concerns Urged.

"Moreover, in my judgment there should be additional legislation looking to the control of those business concerns engaged in interstate business, this control to be exercised for their own benefit and prosperity, no less than for the protection of investors and of the general public. As I have repeatedly said in messages to congress, everywhere, experience has definitely shown not merely the unwisdom but the futility of endeavoring to put an end to all business combinations. Modern industrial conditions are such that combination is not only necessary but desirable. It is so in the world of business just as it is so in the world of labor, and it is as idle to desire to put an end to all corporations, to all big combinations of capital, as to desire to put an end to combinations of labor. The law can do but little good in either case. The only thing that can do good is to make it so that the law will not be a hindrance to the formation of such combinations as are in themselves beneficial or harmless