

PRESIDENT'S MESSAGE TO FIFTY-EIGHTH CONGRESS

Chief Executive Recommends Passage of Important Legislation—Causes Leading to the Formation of the New Republic of Panama—No Obstruction Now to the Building of the Isthmian Canal—Venezuelan Dispute a Triumph for International Arbitration—Extension of Purposes of Appropriation for Enforcing Trust and Interstate Commerce Laws Favored—Public Land and Postal Frauds—Need for Treaties Making Bribery Extraditable—Relations of the Government to Capital and Labor.

The President Charges the Colombian Government with Acting in Bad Faith in Repudiating the Treaty Between That Country and the United States—Precedents Brought Forward to Explain the Attitude of the State Department in the Recent Crisis—Country Has Been in an Almost Constant State of Turmoil for Many Years—The Importance of Preserving Peace in the Isthmus Declared of Paramount Importance.

President Roosevelt's message to the second session of the Fifty-eighth Congress is substantially as follows:

To the Senate and House of Representatives:

With a nation as with a man the most important things are those of the household, and therefore the country is especially to be congratulated on what has been accomplished in the direction of providing for the exercise of supervision over the great corporations and combinations of corporations engaged in interstate commerce. The Congress has created the Department of Commerce and Labor, including the Federal Corporation Commission, with for the first time authority to secure proper publicity of such proceedings of these great corporations as the public has the right to know. It has provided for the expediting of suits for the enforcement of the Federal anti-trust law; and by another law it has secured equal treatment to all producers in the transportation of their goods, thus taking a long stride forward in making effective the work of the Interstate Commerce Commission.

Department of Commerce and Labor.

The establishment of the Department of Commerce and Labor, with the Bureau of Corporations thereunder, marks a real advance in the direction of doing all that is possible for the solution of the questions vitally affecting capitalists and wage-workers.

Functions of New Department.

The preliminary work of the Bureau of Corporations in the department has shown the wisdom of its creation. Publicity in corporate affairs will tend to do away with ignorance, and will afford facts upon which intelligent action may be taken. Systematic, intelligent investigation is already developing facts the knowledge of which is essential to a right understanding of the needs and duties of the business world. The corporation which is honestly and fairly organized, whose managers in the conduct of its business recognize their obligation to deal squarely with their stockholders, their competitors, and the public, has nothing to fear from such supervision. The purpose of this bureau is not to embarrass or assail legitimate business, but to aid in bringing about a better industrial condition—a condition under which there shall be no artificial obstructions to the free flow of public obligation by all corporations, great or small. The Department of Commerce and Labor will be not only the clearing house for information regarding the business conditions of the nation, but the executive arm of the government to aid in strengthening our domestic and foreign markets, in perfecting our transportation facilities, in building up our merchant marine, in preventing the entrance of unfair competition, in improving commercial and industrial conditions, and in bringing together on common ground those necessary partners in industrial progress—capital and labor. Commerce between the nations is steadily growing in volume, and the tendency of the times is toward closer trade relations. Constant watchfulness is needed to secure to Americans the chance to participate to the best advantage in foreign trade, and we must consider the possibility that the new department will justify the expectation of its creators by the exercise of this watchfulness, as well as by the businesslike administration of such laws relating to international affairs as are intrusted to its care.

In enacting the laws above enumerated the Congress proceeded on sane and conservative lines. Nothing revolutionary was attempted, but a common-sense and successful effort was made in the direction of seeing that corporations are handled as to subserve the public good. The legislation was moderate. It was characterized throughout by the idea that we were not attacking corporations, but endeavoring to prevent their doing away with any evil in them; that we drew the line against misconduct, not against wealth; gladly recognizing the great good done by capitalists who alone, or in conjunction with their fellows, do the work along proper and legitimate lines. The purpose of the legislation, which purpose will undoubtedly be fulfilled, was to favor such a man when he does well, and to supervise his action only to prevent him from doing ill. Publicity can do no harm to the honest corporation. This only corporation that has cause to dread it is the corporation which shrinks from the light, and about the welfare of such corporations we need not be over-anxious. The work of the Department of Commerce and Labor has been conditioned upon this theory, of securing fair treatment alike for labor and for capital.

Capital and Labor.

The consistent policy of the national government, so far as it has the power, is to hold in check the undue power, whether employer or employee; but to refuse to weaken individual initiative or to hamper or cramp the industrial development of the country. We recognize that this is an era of freedom and combination, in which great capitalistic corporations and labor unions have become factors of tremendous importance in all industrial centers. Hearty recognition is given the far-reaching benefits which have been accomplished through both corporations and unions, and the line as between different corporations, as between different unions, is drawn as it is between different individuals; that is, it is drawn on conduct, the effort being to treat both organized capital and organized labor alike; asking nothing save the interest of each shall be brought into harmony with the interest of the general public, and that the conduct of each shall conform to the fundamental rules of obedience to law, of individual freedom, and of justice and fair dealing towards all. Whenever either corporation, labor union, or individual disre-

gards the law or acts in a spirit of arbitrary and tyrannical interference with the rights of others, whether corporations or individuals, then where the Federal Government has jurisdiction, it will see to it that the misconduct is stopped, paying not the slightest heed to the position or power of the corporation, the union or the individual, but only to one vital fact—that is, the question whether or not the conduct of the individual or aggregate of individuals is in accordance with the law of the land. Every man 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 the rights of others. No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it. Obedience to the law is demanded as a right; not asked as a favor.

Receipts and Expenditures.

From all sources, exclusive of the postal service, the receipts of the government for the last fiscal year aggregated \$50,236,674. The expenditures for the same period were \$50,629,007, the surplus for the fiscal year being \$4,397,667. The indications are that the surplus for the present fiscal year will be very small, if indeed there be any surplus. From July to November the receipts from customs were, approximately, nine million dollars less than the receipts from the same source for a corresponding portion of last year. Should this decrease continue at the present rate throughout the fiscal year, the surplus would be reduced to approximately, thirty million dollars. Should the revenue from customs suffer much further decrease during the fiscal year, the surplus would vanish. A large surplus is certainly undesirable. Two years ago the war taxes were taken off with the express intention of equalizing the government receipts and expenditures, and though the first year thereafter still showed a surplus, it now seems likely that a substantial equality of receipts and expenditure will be attained. Such being the case it is of great moment both to exercise care and economy in appropriations, and to scan sharply any change in our fiscal revenue system which may reduce our income. The need of strict economy in our expenditures is emphasized by the fact that we can not afford to be parsimonious in providing for what is essential to our national well-being. Careful economy wherever possible will alone prevent our income from falling below the point required in order to meet our genuine needs.

Needs of Financial Situation.

The integrity of our currency is beyond question, and under present conditions it would be unwise and unnecessary to attempt a reconstruction of our entire monetary system. The same liberty should be granted the Secretary of the Treasury to deposit customs receipts as is granted him in the deposit of receipts from other sources. In my message of Dec. 2, 1902, I called attention to certain needs of the financial situation, and I again ask the consideration of the Congress for these questions.

Gold and Silver Standard.

During the last session of the Congress, a suggestion of a joint note from the Republic of Mexico and the Imperial Government of China, and in harmony with an act of the Congress appropriating \$25,000 to pay the expenses thereof, a commission was appointed to confer with the principal European countries in the hope that some plan might be devised whereby a fixed rate of exchange could be assured between the gold-standard countries and the silver-standard countries. This commission has filed its preliminary report, which has been made public. I deem it important that the commission be continued, and that a sum of money be appropriated sufficient to pay the expenses of its further labors.

With regards to the improvement of the American merchant marine the President recommends that the Congress direct the Secretary of the Navy, the Postmaster-General, and the Secretary of Commerce and Labor, associated with such a representation from the Senate and House of Representatives as the Congress in its wisdom may designate, to serve as a commission for the purpose of investigating and reporting to the Congress at its next session what legislation is desirable or necessary for the development of the American merchant marine and American commerce, and incidentally of a national ocean mail service of adequate auxiliary naval cruisers and naval reserves.

On the subject of immigration the message calls attention to the report of a committee of New York citizens of high standing, Messrs. Arthur v. Vriesen, Lee K. Frankel, Eugene A. Philbin, Thomas W. Hynes, and Ralph Trautman, which deals with the whole situation at length, and concludes with certain recommendations for administrative and legislative action. It is now receiving the attention of the Secretary of Commerce and Labor.

Anti-Trust Laws.

On the subject of the anti-trust measures which have been dealt with by the Congress the President says: In my last annual message, in connection with the subject of the due regulation of combinations of capital which are or may become injurious to the public, I recommended a special appropriation for the better enforcement of the

anti-trust law as it now stands, to be expended under the direction of the Attorney-General. Accordingly (by the legislative, executive, and judicial appropriation act of June 20, 1902, Sec. 3234, 3244, 3245, 3246, 3247, 3248, 3249, 3250, 3251, 3252, 3253, 3254, 3255, 3256, 3257, 3258, 3259, 3260, 3261, 3262, 3263, 3264, 3265, 3266, 3267, 3268, 3269, 3270, 3271, 3272, 3273, 3274, 3275, 3276, 3277, 3278, 3279, 3280, 3281, 3282, 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3292, 3293, 3294, 3295, 3296, 3297, 3298, 3299, 3300, 3301, 3302, 3303, 3304, 3305, 3306, 3307, 3308, 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317, 3318, 3319, 3320, 3321, 3322, 3323, 3324, 3325, 3326, 3327, 3328, 3329, 3330, 3331, 3332, 3333, 3334, 3335, 3336, 3337, 3338, 3339, 3340, 3341, 3342, 3343, 3344, 3345, 3346, 3347, 3348, 3349, 3350, 3351, 3352, 3353, 3354, 3355, 3356, 3357, 3358, 3359, 3360, 3361, 3362, 3363, 3364, 3365, 3366, 3367, 3368, 3369, 3370, 3371, 3372, 3373, 3374, 3375, 3376, 3377, 3378, 3379, 3380, 3381, 3382, 3383, 3384, 3385, 3386, 3387, 3388, 3389, 3390, 3391, 3392, 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