

PRESIDENT ROOSEVELT'S MESSAGE TO CONGRESS

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.

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 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.

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 continuous policies; above all, to the high individual average of our citizenship. 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 not in a false sense of proportion let us keep a fixing our gaze upon the lesser evil and forget the greater good. The evils are real and some of them are menacing, but they are not the cause of our prosperity, or of our progress, or of our 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 holding on the former while endeavoring to get rid of the latter.

DEALING WITH TRUSTS.

Corporations Should Be Managed Under Public Regulation.

In my message to the present Congress at its first session I discussed at length the question of the regulation of those 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 acting 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 those 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 action. It must therefore be achieved by national action. Our aim is not to do away with corporations, or 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 are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. Publicity can do no harm to the honest corporation; and we need not be over-tendered about sparing the dishonest corporation.

In checking 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.

Inter-state Commerce.
No more important subject can come before the 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.

I believe that monopolies, unjust discriminations, which prevent or cripple competition, fraudulent overcapitalization, and other evils in trust organizations 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 ac-

complish 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.

To Enforce Anti-Trust Law.
The Congress has not heretofore made any appropriation for the better enforcement of the anti-trust law as it 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.

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 question of regulation of the trusts stands apart from the question of tariff revision.

CONCERNING THE TARIFF.

Fifteen and Radical Changes Declared Undesirable.

Stability of economic policy must always be the prime economic need of this country. This stability should not be fossilization. The country has acquired 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 for a time slight inconveniences and 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 a full tariff from the standpoint solely of our business needs. Undoubtedly 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 readjustment of the principle to the shifting national needs. We must take scrupulous care that the readjustment shall be made in such a way that it will not amount to a dislocation 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 consideration in making these changes 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.

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. 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.

Advocates a Tariff Commission.
Wherever the tariff conditions are such that a needed change cannot 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, 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 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 is 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.

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

Banking and Currency.
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. It is suggested that all future legislation on the subject should be with the view of encouraging the use of such instrumentalities as will automatically sup-



PRESIDENT THEODORE ROOSEVELT.

THE PRESIDENT'S PRINCIPAL RECOMMENDATIONS.

PRESIDENT ROOSEVELT'S message to Congress is less voluminous than those of many of his predecessors, containing in full only about 12,000 words. It may be called a concise and on the whole an optimistic document. The President congratulates the country on the prevailing prosperity, and he assures us that while the prosperous wave will recede and at times there will again come periods of depression, the tide will continue to advance. No country, he says, has ever occupied a higher plane of material well-being than ours at the present moment, and he predicts that the American people will permit of no national retrogression.

The President in dealing with the trust question holds that corporations, and especially combinations of corporations, should be managed under public regulation. Capital, he says, has the right to combine for its own protection and for development along industrial lines, and that labor has equal rights. But that when capital has combined to such an extent as to stifle competition the law-making power should remedy such a condition, and if labor in combining interferes with the rights of others or with the welfare of the general public such combination must likewise be regulated by law. He urges that any defects in the existing law should be eradicated and the power given the Department of Justice to accomplish the real reforms the lawmakers intended when legislation regulating the trusts was enacted.

The President lays some stress on the need of conservative tariff legislation, which, while not attacking the foundation upon which the Republican policy of tariff for protection is built, will remodel it to meet new conditions and remove any evils that the prolonged imposition of present tariffs may have caused.

The foreign relations of this country are reviewed in a very brief and formal manner. No international question is pending in which this country is vitally interested. There is not a cloud on the horizon, the President says, but he advocates provision for a thoroughly efficient navy to insure a continuance of this state of affairs.

On Cuban reciprocity the President stands precisely where his predecessor stood on this question. He favors and urges the largest possible measurement of trade reciprocity and pays particular attention to the implied pledges of this government to see to it that Cuba was put upon her feet in a business as well as a political way, and not until that has been done through a measure of reciprocity will the duty of this government toward Cuba have been done.

The unusually large immigration to this country during the last fiscal year and the great proportion of undesirable immigrants that have sought and, in some cases, secured entrance to this country impels the President to recommend corrective legislation along the lines laid down by the present administration of the immigration office.

The strengthening of the civil service receives the approval of the President, and the recent signing of the contract with the Pacific Cable Company is referred to as another step toward the advancement of the interests of this country in the Pacific Ocean and the far East.

The President refers to Congress having already wisely provided that we shall at once build an isthmian canal, if possible at Panama. He reports that a good title can be acquired from the French Panama Canal Company, and tells that the negotiations with Colombia are still pending.

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.

CAPITAL AND LABOR.

Interest of Each Must Harmonize with Interest of the Public.

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, is a problem fraught with great difficulties and one which it is of the highest importance to solve on lines of sanity and 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 benefits 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 obedience 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.

CUBAN RECIPROcity.

Treaty with the Island Republic Soon to Be Submitted.

I hope soon to submit to the Senate a reciprocity treaty with Cuba. On May 20 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 true officials of the new republic.

Cuba lies at our ooze, 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 canal will be of great benefit to America, and of important value to the world. It will be of advantage to us industrially and also as improving our military position. It will be of advantage to invite to their shores commerce by recognizing that stability and order are the prerequisites of successful development.

A Pacific Cable.

During the fall of 1901 a communication was addressed to the secretary of the navy, 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 without taking any action, leaving the matter in exactly the same condition in which it stood when the Congress convened.

Meanwhile the Commercial Pacific Cable Company had proceeded with preparations for laying its cable. It also made application to the President for access to the landings of soundings taken by the United States steamer Nere, for the purpose of discovering a practicable route for a trans-Pacific cable. Pending consideration of this subject, it appeared important and desirable to attach certain conditions to the permission to examine and use the soundings, if it should be granted. These conditions prescribed, among other things, a maximum rate for commercial messages and that the company should construct a line of cables to the Philippine Islands to China, there being at present, as is well known, a British line from Manila to Hong Kong.

Representatives of the cable company have, however, at length accepted these conditions, and an all-American line between our Pacific coast and the Chinese empire by way of Honolulu and the Philippine Islands is thus provided for and is expected within a few months to be ready for business.

Porto Rico in Prosperity.

Of Porto Rico it is only necessary to say that the prosperity of the island and the wisdom with which it has been governed have been such as to make it serve as an example of all that is best in insular administration.

PEACE IN THE PHILIPPINES.

Rights of Liberty and Government Reach Limit of Adviseability.

On July 4 last, on the 126th anniversary of the Declaration of Independence, the Philippines were proclaimed in the Philippine Islands. Some trouble has since from time to time threatened with the Philippines, but these troubles have been entirely removed. The Philippine Republic has now been introduced. Not only does each Filipino enjoy the right of self-government, but the pursuit of happiness as he has never before known during the recorded history of the islands, but the people taken as a whole enjoy a measure of liberty far greater than that granted to any other Oriental by any foreign power and greater than that enjoyed by any other people under their own government save the Japanese alone. We have not gone too far in granting these rights of liberty and self-government; but we have certainly gone too far in the interests of the Philippine people themselves if we go faster than we are now going, namely, to grant to the people of the islands, no policy ever entered into by the American people has vindicated itself in more signal manner than the policy of holding the islands. The triumph of our arms, above all the triumph of our laws and the principles, has come sooner than we had any right to expect. For much praise should be given to the army for what it has done in the Philippines both in warfare and from an administrative standpoint. In preparing the way for civil government, and similar credit belongs to the civil authorities for the way in which they have planned the needs of government in the islands, and for their readiness for them. The courage, the unflinching endurance, the high soldierly efficiency, and the general kind-heartedness and humanity of our troops have been fully manifested. There now remain only some 15,000 troops in the islands. All told, over 100,000 have been sent there.

Constructive Citizenship.

Taking the work of the army and the civil authorities together, it may be questioned whether anywhere else in modern times the world has seen a better example of a constructive statesman, and that the people have given in the Philippine Islands. High praise should also be given those Filipinos, in the aggregate, who have accepted the new conditions and joined with our representatives to work with hearty good will for the welfare of the islands.

The army has been reduced to the minimum allowed by law. It is very small for the size of the nation, and most certainly the highest percentage of military efficiency. The senior officers are given special chance under ordinary conditions to exercise commands commensurate with their rank, under circumstances which would fit them to do their duty in time of actual war. A system of maneuvering our army in bodies of some little size has been worked out, and should be steadily continued.

The measures providing for the reorganization of the militia system and for securing the highest efficiency of the military guard, which has already passed the House, should receive prompt attention and action.

Naval Maneuvers and The R Object.

For the first time in our history naval maneuvers on a large scale are being held under the immediate command of the admiral of the navy. Constantly increasing attention is being paid to the gunnery of the navy, but it is yet to be seen whether it should be. I earnestly urge that the increase asked for by the Secretary of the Navy in the appropriation for improving the gunnery of the navy should be granted.

There should be no bait in the work of building up the navy, providing every year additional fighting craft. There are already a large number of vessels in the navy, and great in population; a country, moreover, which has an army diminutive indeed when compared with that of any other class power. We have deliberately made our own certain foreign policies which demand the possession of a first-class navy. The Manila Canal will greatly increase the strategic value of the navy, and the Secretary of the navy, if we have an inadequate navy, then the building of the canal would be merely building a hostage to the power of superior strength. The Monroe Doctrine should be treated as the cardinal feature of American foreign policy; but it would be worse than idle to assert that it is intended to back it up, and it can be backed up only by a thoroughly good navy.

POSTAL REVENUES INCREASE.

Business Activity the Cause—Progress of Free Rural Mail Delivery.

The striking increase in the revenues of the postoffice department shows clearly the prosperity of our people and the increasing activity of the business of the country.

The receipts of the postoffice department for the fiscal year ending June 30 last amounted to \$121,848,047.26, an increase of \$10,218,853.57 over the preceding year, the largest increase known in the history of the postal service. The magnitude of this increase will best appear from the fact that the entire postal receipts for the year 1869 amounted to but \$8,518,067.

Rural free delivery service is no longer a mere experiment. The results following its introduction have fully justified the Congress in the large appropriations made for its establishment and extension. The average yearly increase in postoffice receipts in the rural districts of the country is about 2 per cent. We are now able, by actual results, to show that where rural free delivery service has been established to such an extent as to enable us to make comparisons, the entire increase has been upward of 10 per cent.

On Nov. 1, 1902, 11,650 rural free delivery routes had been established and were

in operation, covering about one-third of the territory of the United States. There are now awaiting the action of the department positions and applications for the establishment of 10,000 additional routes. This shows conclusively the want which the establishment of the service has met and the need of further extending it as rapidly as possible with the least cost to the financial results and by the practical benefits to our rural population. It brings the man who lives on the soil into close relationship with the nation's government. It keeps the farmer in daily touch with the markets; it is a potential educational force; it enhances the value of farm property, makes life far pleasanter, and, less isolated, and will do much to check the undesirable current from country to city.

It is to be hoped that the Congress will make liberal appropriations for the continuance of the service already established and for its further extension.

Irrigation of Arid Western Lands.

Few subjects of more importance have been taken up by the Congress in recent years than the inauguration of the system of nationally-aided irrigation for the arid regions of the western States. A good beginning therein has been made. Not only has the policy of national irrigation been adopted, the need of thorough and scientific forest protection will grow more rapidly than ever throughout the public lands.

So far as they are available for agriculture, and to whatever extent they may be reclaimed under the national irrigation, the remaining public lands should be held rigidly for the home builder, the settler who lives on his land, and for no one else, in their actual and potential production of timber and stone law, and the commutation clause of the homestead law have been so perverted from the intention with which they were enacted as to prevent the acquisition of large areas of the public domain for other than actual settlers and the consequent prevention of settlement. Moreover, the approach of the expiration of the public ranges has of late led to much discussion as to the best manner of using these public lands in the West which are suitable chiefly for stock raising and steady development of the West depends upon the building up of homes therein. Much of our prosperity as a nation has been due to the operation of the homestead law. On the other hand, we should recognize the fact that in the grazing range the man who corresponds to the homesteader may be unable to use the same amount of pasture land that his brother, the homesteader, is able to use of arid land.

Aspecially Urged upon the Congress.
The need of wise legislation for Alaska, it is not to our credit as a nation that Alaska, which has been ours for thirty-five years, should still be without a permanent government as is the case. No country has a more valuable possession—in mineral wealth, in fisheries, in fur, forests, and also in land available for agriculture and stock-raising. It is a territory of great size and varied resources, well fitted to support a large permanent population. Alaska needs a government and the conditions for homesteads and pre-emptions will encourage permanent settlement.

How to Deal with the Indian.

In dealing with the Indians our aim should be the ultimate absorption into the body of our people. It is not to be feared that this absorption must and should be very slow. In portions of the Indian Territory the mixture of blood has gone on at the same time with progress in the schools and education, so that there are plenty of men with varying degrees of purity of Indian blood who are absolutely indistinguishable in point of social, industrial, and commercial ability from their white associates. There are other tribes which have as yet made no perceptible advance toward such equality. To try to force upon these tribes to prevent their going forward at all.

The first and most important step toward the absorption of the Indian is to teach him to earn his living. It is not so much to be assumed that in each community all Indians must become either tillers of the soil or engaged in the various industries which properly be diversified, and those who show special desire or adaptability for industrial or even commercial pursuits should be given every opportunity to follow out each his own bent.

Every effort should be made to develop the latent along the lines of natural aptitude and to encourage the various industries peculiar to certain tribes, such as the various kinds of basket weaving, canoe building, smith work, and blanket work. Above all, the Indian should be given command of colloquial English, and should ordinarily be prepared for the vigorous struggle with the conditions under which the government provides for immediate absorption into some more highly developed community.

Science Brought to Farmer's Aid.

In no department of government work in recent years has there been greater success than in that of giving scientific aid to the farming population, thereby showing them how most effectively to help themselves. There is no need of insisting upon the importance, for the welfare of the farmer is fundamentally necessary to the welfare of the republic as a whole. The government should be given control of command of colloquial English, and should ordinarily be prepared for the vigorous struggle with the conditions under which the government provides for immediate absorption into some more highly developed community.

The District of Columbia is the only part of our territory in which the national government exercises local or municipal functions, and where in consequence the government has a free hand in reference to certain types of social and economic legislation which must be essentially local or municipal in their character. The government should see to it, for instance, that the hygienic and sanitary legislation affecting Washington is of a high character. The evils of slum dwellings, whether of a kind of crowded and congested tenement house districts or of the back alley type, should never be permitted to grow up in Washington, which was built on a high and every respect for all the cities of the country.

The safety-appliance law, for the better protection of the lives and limbs of railway employes, which was passed in 1893, went into full effect on Aug. 1, 1901. It has resulted in a saving of lives and the prevention of the loss of limbs. Experience shows, however, the necessity of additional legislation to perfect this law.

Useless Public Documents.

There is a growing tendency to provide for the publication of masses of documents for which there is no public demand and for the printing of which there is no real necessity. Nothing should be printed by the government unless it is of some value, and something of permanent value, and the Congress could with advantage cut down very materially on all the printing which it has now become customary to provide.

Additions to President's Residence.

Through a wise provision of the Congress at its last session the White House, which had become disfigured by incongruous renovations and changes, has now been restored to what it was planned to be by Washington. In making the restorations the utmost care has been exercised to secure as near as possible to the early plans and to supplement these plans by a careful study of such buildings as that of the University of Virginia, which was built by Jefferson. The White House is the property of the nation. The stately simplicity of its architecture is an expression of the character of the period in which it was built, and in accord with the purposes it was designed to serve. It is a good thing to preserve such buildings as historic monuments of our great nation's past.

THEODORE ROOSEVELT.