PRESIDENT OUTLINES ISSUES OF THE DAY

Important Recommendations as to Legislation Made in Annual Message to Congress—Large Part of Document Devoted to Corporations and Railroad Rate Legislation—Relations of Labor and Capital Dealt With Fully.

The message of President Roosevelt, read at the first session of the Fifty-ninth Congress, congratulates the people on the continued prosperity of the nation. The close relationship and mutual dependence upon each other of capital and labor are pointed out, and the message continues:

Corporations.

Yet, while not merely admitting, but insisting upon this, it is also true that where there is no governmental restraint or supervision some of the exceptional men use their energies not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organization are now so large and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign—that is, to the Government, which represents the people as a whole—some effective power of supervision over their corporate use. In order to insure a healthy social and industrial life, every big corporation should be held responsible by, and be accountable to, some sovereign strong enough to control its conduct. I am in no sense hostile to corporations. This is an age of combination, and any effort to prevent all combination will be not only useless, but in the end vicious, because of the contempt for law which the failure to enforce law inevitably produces. We should, moreover, recognize in cordial and ample fashion the immense good effected by corporate agencies in a country such as ours, and the wealth of intellect, energy, and fidelity devoted to their service, and therefore normally to the service of the public, by their officers and directors. The corporation has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice.

The President shows the impossibility of the individual states dealing successfully with corporation greed, and the necessity of conferring power upon the general government even to the extent of a proper amendment to the constitution. He says:

It has been a misfortune that the national laws on this subject have hitherto been of a negative or prohibitive rather than an affirmative kind, and still more that they have in part sought to prohibit what could not be effectively prohibited, and have in part in their prohibitions confounded what should be allowed and what should not be allowed. It is generally useless to try to prohibit all restraint on competition, whether this restraint be reasonable or unreasonable; and where it is not useless it is generally hurtful. Events have shown that it is not possible adequately to secure the enforcement of any law of this kind by incessant appeal to the courts. The Department of Justice has for the last four years devoted more attention to the enforcement of the anti-trust legislation than to anything else. Much has been accomplished; particularly marked has been the moral effect of the prosecutions; but it is increasingly evident that there will be a very insufficient beneficial result in the way of economic change. The successful prosecution of one device to evade the law immediately develops another device to accomplish the same purpose. What is needed is not sweeping prohibition of every arrangement, good or bad, which may tend to restrict competition, but such adequate supervision and regulation as will prevent any restriction of competition from being to the detriment of the public—as well as such supervision and regulation as will prevent other abuses in no way connected with restriction of competition. Of these abuses, perhaps the chief, although by no means the only one, is overcapitalization—generally itself the result of dishonest promotion—because of the myriad evils it brings in its train; for such overcapitalization often means an inflation that invites business panic; it always conceals the true relation of the profit earned to the actual capital invested, and it creates a burden of interest payments which is a fertile cause of improper reduction or in limitation of wages; it damages the small investor, discourages thrift, and encourages gambling and speculation; while perhaps worst of all is the trickiness and dishonesty which it implies—for harm to morals and worse than any possible harm to material interests, and the debauchery of politics and business by great dishonest corporations is far worse than any actual material evil they do the public. Until the national government obtains, in some manner which the wisdom of the Congress may suggest, proper control over the big corporations engaged in interstate commerce—that is, over the great majority of the big corporations—it will be impossible to deal adequately with these evils.

I am well aware of the difficulties of the legislation that I am suggesting, and of the need of temperate and cautious action in securing it. I should emphatically protest against improper radical or hasty action. The first thing to do is to deal with the great corporations engaged in the business of interstate transportation. As I said in my message of Dec. 6 last, the immediate and most pressing need, so far as legislation is concerned, is the enactment into law of some scheme to secure to the agents of the government such supervision and regulation of the rates charged by the railroads of the country engaged in interstate traffic as shall summarily and effectively prevent the imposition of unjust or unreasonable rates. It must include putting a complete stop to rebates in every shape and form. This power to regulate rates, like all similar powers over the business world, should be exercised with moderation, caution, and self-restraint; but it should exist, so that it can be effectively exercised when the need arises.

The first consideration to be kept in mind is that the power should be affirmative and should be given to some administrative body created by the Congress. If given to the present Interstate Commerce commission or to a reorganized Interstate Commerce commission, such commission should be made unequivocally administrative. I do not believe in the government interfering with private business more than is necessary. I do not believe in the government undertaking any work which can with propriety be left in private hands. But neither do I believe in the government flinching from overseeing any work when it becomes evident that abuses are sure to obtain therein unless there is governmental supervision. It is not my province to indicate the exact terms of the law which should be enacted; but I call the attention of the Congress to certain existing conditions with which it is desirable to deal. In my judgment the most important provision which such law should contain is that conferring upon some competent administrative body the power to decide, upon the case being brought before it, whether a given rate prescribed by a railroad is reasonable and just, and if it is found to be unreasonable and unjust, then, after full investigation of the complaint, to prescribe the limit of rate beyond which it shall not be lawful to go—the maximum reasonable rate, as it is commonly called—this decision to go into effect within a reasonable time and to obtain from thence onward, subject to review by the courts. It sometimes happens at present, not that a rate is too high but that a favored shipper is given too low a rate. In such case the commission would have the right to fix this already established minimum rate as the maximum and it would need only one or two such decisions by the commission to cure railroad companies of the practice of giving improper minimum rates. I call your attention to the fact that my proposal is not to give the commission power to initiate or originate rates generally, but to regulate a rate already fixed or originated by the roads, upon complaint and after investigation. A heavy penalty should be exacted from any corporation which fails to respect an order of the commission. I regard this power to establish a maximum rate as being essential to any scheme of real reform in the matter of railway regulation. The first necessity is to secure it; and unless it is granted to the commission there is little use in touching the subject at all.

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Continuing, the President earnestly disclaims any spirit of hostility to the railroads, pointing out the benefits to be derived by the fair-dealing roads in the even-handed administration of justice. In this both the honest railroad man and the honest shipper alike would be benefited. Ending the subject, the President says:

All private-car lines, industrial roads, refrigerator charges, and the like should be expressly put under the supervision of the Interstate Commerce commission or some similar body so far as rates, and agreements practically affecting rates, are concerned. The private-car owners and the owners of industrial railroads are entitled to a fair and reasonable compensation on their investment, but neither private cars nor industrial railroads nor spur tracks should be utilized as devices for securing preferential rates. A rebate in icing charges, or in mileage, or in a division of the rate for refrigerating charges is just as pernicious as a rebate in any other way. No lower rate should apply on goods imported than actually obtains to domestic goods from the American seaboard to destination except in cases where water competition is the controlling influence. There should be publicity of the accounts of common carriers; no common carrier engaged in interstate business should keep any books or memoranda other than those reported pursuant to law or regulation, and these books or memoranda should be open to the inspection of the government. Only in this way can violations or evasions of the law be surely detected. A system of examination of railroad accounts should be provided similar to that now conducted into the national banks by the bank examiners; a few first-class railroad accountants, if they had proper direction and proper authority to inspect books and papers, could accomplish much in preventing willful violations of the law. It would not be necessary for them to examine into the accounts of any railroad unless for good reasons they were directed to do so by the Interstate Commerce commission. It is greatly to be desired that some way might be found by which an agreement as to transportation within a state intended to operate as a fraud upon the federal interstate commerce laws could be brought under the jurisdiction of the federal authorities. At present it occurs that large shipments of interstate traffic are controlled by concessions on purely state business, which of course amounts to an evasion of the law. The commission should have power to enforce fair treatment by the great trunk lines of lateral and branch lines.

I urge upon the Congress the need for expeditious action by the Interstate Commerce commission in all these matters, whether in regulating rates for transportation or for storing or for handling property or commodities in transit. The history of the cases litigated under the present commerce act shows that its efficiency has been to a great degree destroyed by the weapon of delay, almost the most formidable weapon in the hands of those whose purpose it is to violate the law.

The question of transportation lies at the root of all industrial success, and the revolution in transportation which has taken place during the last half century has been the most important factor in the growth of the new industrial conditions. Most emphatically we do not wish to see the man of great talents refused the reward for his talents. Still less do we wish to see him penalized; but we do desire to see the system of railroad transportation so handled that the strong man shall be given no advantage over the weak man. We wish to insure as fair treatment for the small town as for the big city, for the small shipper as for the big shipper. In the old days the highway of commerce, whether by water or by a road on land, was open to all; it belonged to the public and the traffic along it was free. At present the railway is this highway, and we must do our best to see that it is kept open to all on equal terms. Unlike the old highway it is a very difficult and complex thing to manage, and it is far better that it should be managed by private individuals than by the government. But it can only be so managed on condition that justice is done the public. It is because, in my judgment, public ownership of railroads is highly undesirable and would probably in this country entail far-reaching disaster, that I wish to see such supervision and regulation of them in the interest of the public as will make it evident that there is no need for public ownership. The opponents of government regulation dwell upon the difficulties to be encountered and the intricate and involved nature of the problem. Their contention is true. It is a complicated and delicate problem, and all kinds of difficulties are sure to arise in connection with any plan of solution, while no plan will bring all the benefits hoped for by its more optimistic adherents. Moreover, under any healthy plan, the benefits will develop gradually and not rapidly. Finally, we must clearly understand that the public servants who are to do this peculiarly responsible and delicate work must themselves be of the highest type both as regards integrity and efficiency. They must be well paid, for otherwise able men can not in the long run be secured; and they must possess a lofty probity which will revolt as quickly at the thought of pandering to any gust of popular prejudice against rich men as the thought of anything even remotely resembling subserviency to rich men. But while I fully admit the difficulties in the way, I do not for a moment admit that these difficulties warrant us in stopping in our effort to secure a wise and just system. They should have no other effect than to spur us on to the exercise of the resolution, the even-handed justice, and the fertility of resource, which we like to think of as typically American, and which will in the end achieve good results in this as in other fields of activity. The task is a great one and underlies the task of dealing with the whole industrial problem. But the fact that it is a great problem does not warrant us in shrinking from the attempt to solve it. At present we face such utter lack of supervision, such freedom from the restraints of law, that excellent men have often been literally forced into doing what they deplored because otherwise they were left at the mercy of unscrupulous competitors. To rail at and assail the men who have done as they best could under the conditions accomplishes little. What we need to do is to develop an orderly system; and such a system can only come through the gradually increased exercise of the right of efficient government control.

The necessity for safety appliances on railroads, recommended in the President's message to the last Congress, is emphasized, together with the necessity for a law regulating the hours of labor of railroad men.

On the labor question, the message says:

There has been demand for depriving courts of the power to issue injunctions in labor disputes. Such special limitation of the equity powers of our courts would be most unwise. It is true that some judges have misused this power; but this does not justify a denial of the power any more than an improper exercise of the power to call a strike by a labor leader would justify the denial of the right to strike. The remedy is to regulate the procedure by requiring the judge to give due notice to the adverse parties before granting the writ, the hearing to be ex parte if the adverse party does not appear at the time and place ordered. What is due in each case must depend upon the facts of the case; it should not be used as a pretext to permit violation of law, or the jeopardizing of life or property. Of course, this would not authorize the issuing of a restraining order or injunction in any case in which it is not already authorized by existing law.

I renew the recommendation I made in my last annual message for an investigation by the Department of Commerce and Labor of general labor conditions, especial attention to be paid to the conditions of child labor and child-labor legislation in the several states. Such an investigation should take into account the various problems with which the question of child labor is connected. It is true that these problems can be actually met in most cases only by the states themselves, but it would be well for the nation to endeavor to secure and publish comprehensive information as to the conditions of the labor of children in the different states, so as to spur up those that are behindhand, and to secure approximately uniform legislation of a high character among the several states. In such a Republic as ours the one thing that we can not afford to neglect is the problem of turning out decent citizens. The future of the nation depends upon the citizenship of the generations to come; the children of to-day are those who tomorrow will shape the destiny of our land, and we can not afford to neglect them. The legislature of Colorado has recommended that the national government provide some general measure for the protection from abuse of children and dumb animals throughout the United States. I lay the matter before you for what I trust will be your favorable consideration.

The Department of Commerce and Labor should also make a thorough investigation of the conditions of women in industry. Over five million American women are now engaged in gainful occupations; yet there is an almost complete dearth of data upon which to base any trustworthy conclusions as regards a subject as important as it is vast and complicated. There is need of full knowledge on which to base action looking toward state and municipal legislation for the protection of working women. The introduction of women into industry is working change and disturbance in the domestic and social life of the nation. The decrease in marriage, and especially in the birth rate, has been coincident with it. We must face accomplished facts, and the adjustment to factory conditions must be made; but surely it can be made with less friction and less harmful effects on family life than is now the case. This whole matter in reality forms one of the greatest sociological phenomena of our time; it is a social question of the first importance, of far greater importance than any merely political or economic question can be; and to solve it we need ample data, gathered in a sane and scientific spirit in the course of an exhaustive investigation.

In any great labor disturbance not only are employer and employe interested, but also a third party—the general public. Every considerable labor difficulty in which interstate commerce is involved should be investigated by the government and the facts officially reported to the public.

The question of securing a healthy, self-respecting, and mutually sympathetic attitude as between employer and employe, capitalist and wage-worker, is a difficult one. All phases of the labor problem prove difficult when approached. But the underlying principles, the root principles, in accordance with which the problem must be solved are entirely simple. We can get justice and right dealing only if We must face accomplished facts, and the principle of treating a man on his worth as a man rather than with reference to his social position, his occupation, or the class to which he belongs. There are selfish and brutal men in all ranks of life. If they are capitalists their selfishness and brutality may take the form of hard indifference to suffering, greedy disregard of every moral restraint which interferes with the accumulation of wealth, and cold-blooded exploitation of the weak; or, if they are laborers, the form of laziness, of sullen envy of the more fortunate, and of willingness to perform deeds of murderous violence. Such conduct is just as reprehensible in one case as in the other, and all honest and farseeing men should join in warring against it wherever it becomes manifest. Individual capitalist and individual wage-worker, corporation and union, are alike entitled to the protection of the law, and must alike obey the law. Moreover, in addition to mere obedience to the law, each man, if he be a really good citizen, must show broad sympathy for his neighbor and genuine desire to look at any question arising between them from the standpoint of that neighbor no less than from his own; and to this end it is essential that capitalist and wage-worker should consult freely one with the other, should each strive to bring closer the day when both shall realize that they are properly partners and not enemies. To approach the questions which inevitably arise between them solely from the standpoint which treats each side in the mass as the enemy of the other side in the mass is both wicked and foolish. In the past the most direful among the influences which have brought about the downfall of republics has ever been the growth of the class spirit, the growth of the spirit which tends to make a man subordinate the welfare of the public as a whole to the welfare of the particular class to which he belongs. This inevitably brings about a tendancy to treat each man not on his merits as an individual, but on his position as belonging to a certain class in the community. If such a spirit grows up in this Republic it will ultimately prove fatal to us, as in the past it has proved fatal to every community in which it has become dominant. Unless we continue to keep a quick and lively sense of the great fundamental truth that our concern is with the individual worth of the individual man, this government cannot permanently hold the place which it has achieved among the nations. The vital lines of cleavage among our people do not correspond, and indeed run at right angles to, the lines of cleavage which divide occupation from occupation, which divide wage-workers from capitalists, farmers from bankers, men of small means from men of large means, men who live in the towns from men who live in the country; for the vital line of cleavage is the line which divides the honest man who tries to do well by his neighbor from the dishonest man who does ill by his neighbor. In other words, the standard we should establish is the standard of conduct, not the standard of occupation, of means or of social position. It is the man's moral quality, his attitude toward the great questions which concern all humanity, his cleanliness of life, his power to do his duty toward himself and toward others, which really count; and if we substitute for the standard of personal judgment which treats each man according to his merits, another standard in accordance with which all men of one class are favored and all men of another class discriminated against, we shall do irreparable damage to the body politic. I believe that our people are too sane, too self-respecting, too fit for self-government, ever to adopt such an attitude. This government is not and never shall be government by a plutocracy. This government is not and never shall be government by a mob. It shall continue to be in the future what it has been in the past, a government based on the theory that each man, rich or poor, is to be treated simply and solely on his worth as a man, that all his personal and property rights are to be safeguarded, and that he is neither to wrong others nor to suffer wrong from others.

The noblest of all forms of government is self-government; but it is also the most difficult. We who possess this priceless boon, and who desire to hand it on to our children and our children's children, should ever bear in mind the thought so finely expressed by Burke: "Men are qualified for civil liberty in exact proportion to their disposition to put moral chains upon their own appetites; in proportion as they are disposed to listen to the counsels of the wise and good in preference to the flattery of knaves. Society cannot exist unless a controlling power upon will and appetite be placed somewhere, and the less of it there be within the more there must be without. It is ordained in the eternal constitution of things that men of intemperate minds cannot be free. Their passions forge their fetters."

Insurance.

The great insurance companies afford striking examples of corporations whose business has extended so far beyond the jurisdiction of the states which created them as to preclude strict enforcement of supervision and regulation by the parent States. In my last annual message I recommended "that the Congress carefully consider whether the power of the Bureau of Corporations cannot constitutionally be extended to cover interstate transactions in insurance." Recent events have emphasized the importance of an early and exhaustive consideration of this question to see whether it is not possible to furnish better safeguards than the several states have been able to furnish against corruption of the flagrant kind which has been exposed.

The Revenues.

Touching the question of tariff and revenue, the views of the President are as follows:

There is more need of stability than of the attempt to attain an ideal perfection in the methods of raising revenue; and the shock and strain to the business world certain to attend any serious change in these methods render such change inadvisable unless for grave reason. It is not possible to lay down any general rule by which to determine the moment when the reasons for will outweigh the reasons against such a change. Much must depend, not merely on the needs, but on the desires, of the people as a whole; for needs and desires are not necessarily identical. Of course no change can be made on lines beneficial to, or desired by, one section of one state only. There must be something like a general agreement among the citizens of the several states, as represented in the Congress, that the change is needed and desired in the interest of the people as a whole; and there should then be a sincere, intelligent, and disinterested effort to make it in such shape as will combine, so far as possible, the maximum of good to the people at large with the minimum of necessary disregard for the special interests of localities or classes. But in time of peace the revenue must on the average, taking a series of years together, equal the expenditures or else the revenues must be increased. Last year there was a deficit. Unless our expenditures can be kept within the revenues then our revenue laws must be readjusted. It is as yet too early to attempt to outline what shape such a readjustment should take, for it is as yet too early to say whether there will be need for it. It should be considered whether it is not desirable that the tariff laws should provide for applying as against or in favor of any other nation maximum and minimum tariff rates established by the Congress, so as to secure a certain reciprocity of treatment between other nations and ourselves. Having in view even larger considerations of policy than those of a purely economic nature, it would, in my judgment, be well to endeavor to bring about closer commercial connections with the other people of this continent. I am happy to be able to announce to you that Russia now treats us on the most-favored-nation basis.

Economy in Expenditures.

The necessity for economy and a rigid scrutiny of appropriations is made manifest, with this proviso:

Yet, in speaking of economy, I must in no wise be understood as advocating the false economy which is in the end the worst extravagance. To cut down on the navy, for instance, would be a crime against the nation. To fail to push forward all work on the Panama canal would be as great a folly.

Currency.

The currency question is dealt with as follows:

Every consideration of prudence demands the addition of the element of elasticity to our currency system. The evil does not consist in an adequate volume of money, but in the rigidity of this volume which does not respond as it should to the varying needs of communities and of seasons. Inflation must be avoided; but some provision should be made that will insure a larger volume of money during the fall and winter months than in the less active seasons of the year; so that the currency will contract against speculation, and will expand for the needs of legitimate business. At present the Treasury department is at irregularly recurring intervals obliged, in the interest of the business world—that is, in the interests of the American public—to try to avert financial crises by providing a remedy which should be provided by Congressional action.

Federal Elections.

On the subject of federal elections, the President says:

"The power of the government to protect the integrity of the elections of its own officials is inherent and has been recognized and affirmed by repeated declarations of the Supreme court. There is no enemy of free government more dangerous and none so insidious as the corruption of the electorate. No one defends or excuses corruption, and it would seem to follow that none would oppose vigorous measures to eradicate it. I recommend the enactment of a law directed against bribery and corruption in federal elections. The details of such a law may be safely left to the wise discretion of the Congress, but it should go as far as under the constitution it is possible to go, and should include severe penalties against him who gives or receives a bribe intended to influence his act or opinion as an elector; and provisions for the publication not only of the expenditures for nominations and elections of all candidates, but also of all contributions received and expenditures made by political committees."

I desire to repeat this recommendation. In political campaigns in a country as large and populous as ours it is inevitable that there should be much expense of an entirely legitimate kind. This, of course, means that many contributions, and some of them of large size, must be made, and, as a matter of fact, in any big political contest such contributions are always made to both sides. It is entirely proper both to give and receive them, unless there is an improper motive connected with either gift or reception. If they are extorted by any kind of pressure or promise, express or implied, direct or indirect, in the way of favor or immunity, then the giving or receiving becomes not only improper but criminal. It will undoubtedly be difficult as a matter of practical detail to shape an act which shall guard with reasonable certainty against such misconduct, but if it is possible to secure by law the full and verified publication in detail of all the sums contributed to and expended by the candidates or committees of any political parties the result cannot but be wholesome. All contributions by corporations to any political committee or for any political purpose should be forbidden by law; directors should not be permitted to use stockholders' money for such purposes; and, moreover, a prohibition of this kind would be, as far as it went, an effective method of stopping the evils aimed at in corrupt practices acts. Not only should both the national and the several state legislatures forbid any officer of a corporation from using the money of the corporation in or about any election, but they should also forbid such use of money in connections with any legislation save by the employment of counsel in public manner for distinctly legal services.

The position of the United States with regard to The Hague conference is clearly shown, the desire of the United States for continuance of the world's peace being made apparent and the necessity for strength to maintain a righteous position insisted upon.

Elaborating on the many reasons existing for the maintenance of the Monroe doctrine, the message points out how the interests of our southern neighbors are identified with our own and the impossibility of the United States using the doctrine as a means for aggrandizement. The help afforded Santo Domingo in her escape from the importunities of foreign creditors and rapacious revolutionists at home is shown as a case in point.

Army and Navy.

The President insists upon the necessity for a well trained body of soldiers as a nucleus for an army in time of trouble, and that maneuvers of a practical kind should be undertaken to adapt the forces to actual conditions of warfare. An increase in the artillery force so that the coast fortifications can be adequately manned is also recommended, with liberal appropriations for the building and bringing to a state of perfection of the United States navy.

Naturalization Laws.

Of our present naturalization laws, the message says:

During the past year evidence has accumulated to confirm the expressions contained in my last two annual messages as to the importance of revising by appropriate legislation our system of naturalizing aliens. I appointed last March a commission to make a careful examination of our naturalizing laws, and to suggest appropriate measures to avoid the notorious abuses resulting from the improvident or unlawful granting of citizenship. This commission, composed of an officer of the Department of State, of the Department of Justice, and of the Department of Commerce and Labor, has discharged the duty imposed upon it, and has submitted a report, which will be transmitted to the Congress for its consideration, and, I hope, for its favorable action.

The distinguishing recommendations of the commission are:

First. A federal bureau of naturalization, to be established in the Department of Commerce and Labor, to supervise the administration of the naturalization laws and to receive returns of naturalizations pending and accomplished.

Second. Uniformity of naturalization certificates, fees to be charged and procedure.

Third. More exacting qualifications for citizenship.

Fourth. The preliminary declaration of intention to be abolished and no alien to be naturalized until at least ninety days after the filing of his petition.

Fifth. Jurisdiction to naturalize aliens to be confined to United States district courts and to such State courts as have jurisdiction in civil actions in which the amount in controversy is unlimited; in cities of over 100,000 inhabitants the United States district courts to have exclusive jurisdiction in the naturalization of the alien residents of such cities.

Criminal Laws.

Legislation to make our criminal laws more effective and to provide adequate punishment for breaches of trust by public officals is urged, and the promise made that all the power of the administration shall be devoted to the detection and punishment of such wrongdoers.

The President continues:

Once again I call your attention to the condition of the public-land laws. Recent developments have given new urgency to the need for such changes as will fit these laws to actual present conditions. The honest disposal and right use of the remaining public lands is of fundamental importance. The iniquitous methods by which the monopolizing of the public lands is being brought about under the present laws are becoming more generally known, but the existing laws do not furnish effective remedies. The recommendations of the Public Lands commission upon this subject are wise and should be given effect.

The policy of creating forest reserves is shown to have met popular approval, as has the initiation of forest reserves.

Merchant Marine.

On the subject of the merchant marine, the message says:

To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reinforce our battle line. It cannot but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Europe if they wish security and dispatch. Even on the Pacific, where our ships have held their own better than on the Atlantic, our merchant flag is now threatened through the liberal aid bestowed by other governments on their own steam lines. I ask your earnest consideration of the report with which the Merchant Marine commission has followed its long and careful inquiry.

Praise of the good work of the pension bureau with an acknowledgement of the debt the country owes to the veterans of the Civil war follows.

Immigration.

Continuing, the message shows clearly the necessity for checking the steamship companies in their activity in promoting the importation of undesirable immigrants, while pointing out how warmly welcome is the man of good health and moral character, who bids fair to add value to the community. An increase in the stringency of the immigration law is advocated.

On the subject of Chinese immigration the message urges the necessity for courteous treatment of the Chinese students, business and professional men who visit this country, while asserting unalterable opposition to the admission of coolies or skilled or unskilled labor from China.

Civil Service.

Some paragraphs of the message are devoted to an elucidation of the workings of the civil service law. The assertion is made that the effects of the law have been excellent.

A revision of the copyright laws is declared to be urgently needed, and the promise made that a bill for this purpose will be introduced at the coming session. The passage of the measure is earnestly recommended.

A law to regulate interstate commerce in misbranded and adulterated foods, drinks and drugs is urged; also one providing for the building and maintenance of national parks and the preservation of Niagara Falls.

Pensions for members of the Life Saving Service are shown to be desirable, and a high compliment is paid the members of the service for their self-sacrificing devotion to duty.

A recommendation is made for increased appropriations and payment of more attention to the needs of the Indians.

The Philippines.

Despite the series of disasters which have afflicted the Philippine islands since the American occupation—the rinderpest, the locusts, and the drought—conditions are shown to have steadily improved and tranquility is now almost universal. The Filipinos are beginning to realize the benefits of education, and a school attendance of 70 per cent is the result. Referring to trade between the islands and the United States, the message says:

A statute in force, enacted April 15, 1904, suspends the operation of the coastwise laws of the United States upon the trade between the Philippine islands and the United States until July 1, 1906. I earnestly recommend that this suspension be postponed until July 1, 1909. I think it of doubtful utility to apply the coastwise laws to the trade between the United States and the Philippines under any circumstances, because I am convinced that it will do no good whatever to American bottoms, and will only interfere and be an obstacle to the trade between the Philippines and the United States; but if the coastwise law must be thus applied, certainly it ought not to have effect until free trade is enjoyed between the people of the United States and the people of the Philippine islands in their respective products.

I do not anticipate that free trade between the islands and the United States will produce a revolution in the sugar and tobacco production of the Philippine islands. So primitive are the methods of agriculture in the Philippine islands, so slow is capital in going to the islands, so many difficulties surround a large agricultural enterprise in the islands, that it will be many, many years before the products of those islands will have any effect whatever upon the markets of the United States. The problem of labor is also a formidable one with the sugar and tobacco producers in the islands. The best friends of the Filipino people and the people themselves are utterly opposed to the admission of Chinese coolie labor. Hence the only solution is the training of Filipino labor, and this will take a long time. The enactment of a law by the Congress of the United States making provision for free trade between the islands and the United States, however, will be of great importance from a political and sentimental standpoint; and while its actual benefit has doubtless been exaggerated by the people of the islands, they will accept this measure of justice as an indication that the people of the United States are anxious to aid the people of the Philippine islands in every way, and especially in the agricultural development of their Archipelago. It will aid the Filipinos without injuring interests in America.

The President urges that immediate steps be taken for the fortification of Hawaii and the development of the territory on traditional American lines. Admission of Chinese labor under statute restrictions is condemned as leading to a status of servility which, the message declares, can never again be tolerated on American soil. The President says: "Our aim must be to develop the territory on the same basis of stable citizenship as exists on this continent."

Porto Rico.

Dealing with the affairs of Porto Rco, the President says:

I earnestly advocate the adoption of legislation which will explicitly confer American citizenship on all citizens of Porto Rico. There is, in my judgment, no excuse for failure to do this. The harbor of San Juan should be dredged and improved. The expenses of the Federal court of Porto Rico should be met from the Federal treasury, and not from the Porto Rican treasury. The elections in Porto Rico should take place every four years, and the legislature should meet in session every two years. The present form of government in Porto Rico, which provides for the appointment by the President of the members of the executive council or upper house of the legislature, has proved satisfactory and has inspired confidence in property owners and investors. I do not deem it advisable at the present time to change this form in any material feature. The problems and needs of the island are industrial and commercial rather than political.

Discussing the needs of Alaska, the President recommends that the territory be given an elective delegate who will be able to speak with authority on the needs of that section of our country. The message concludes:

Admission to Statehood.

I recommend that Indian Territory and Oklahoma be admitted as one State and that New Mexico and Arizona be admitted as one State. There is no obligation upon us to treat territorial subdivisions, which are matters of convenience only, as binding us on the question of admission to statehood. Nothing has taken up more time in the Congress during the past few years than the question as to the statehood to be granted to the four Territories above mentioned, and after careful consideration of all that has been developed in the discussions of the question I recommend that they be immediately admitted as two States. There is no justification for further delay, and the advisability of making the four Territories into two States has been clearly established.

In some of the Territories the legislative assemblies issue licenses for gambling. The Congress should by law forbid this practice, the harmful results of which are obvious at a glance.

The Panama Canal.

The treaty between the United States and the Republic of Panama, under which the construction of the Panama canal was made possible, went into effect with its ratification by the United States Senate on Feb. 23, 1904. The canal properties of the French Canal Company were transferred to the United States on April 23, 1904, on payment of $40,000,000 to that company. On April 1, 1905, the Commission was reorganized, and it now consists of Theodore P. Shonts, chairman, Charles E. Magoon, Benjamin M. Harrod, Rear-Admiral Mordecai T. Endicott, Brig.-Gen. Peter C. Hains, and Col. Oswald H. Ernst. John F. Stevens was appointed chief engineer on July 1 last. Active work in canal construction, mainly preparatory, has been in progress for less than a year and a half. During that period two points about the canal have ceased to be open to debate. First, the question of route; the canal will be built on the Isthmus of Panama. Second, the question of feasibility; there are no physical obstacles on this route that American engineering skill will not be able to overcome without serious difficulty, or that will prevent the completion of the canal within a reasonable time and at a reasonable cost. This is virtually the unanimous testimony of the engineers who have investigated the matter for the government.

The point which remains unsettled is the question of type, whether the canal shall be one of several locks above sea level, or at sea level with a single tide lock. On this point I hope to lay before the Congress at an early day the findings of the Advisory Board of American and European Engineers, that at my invitation have been considering the subject, together with the report of the commission thereon; and such comments thereon or recommendations in reference thereto as may seem necessary.

The American people is pledged to the speediest possible construction of a canal adequate to meet the demands which the commerce of the world will make upon it, and I appeal most earnestly to the Congress to aid in the fulfillment of the pledge. Gratifying progress has been made during the past year and especially during the past four months. The greater part of the necessary preliminary work has been done. Actual work of excavation could be begun only on a limited scale till the canal zone was made a healthful place to live in and to work in. The isthmus had to be sanitated first. This task has been so thoroughly accomplished that yellow fever has been virtually extirpated from the isthmus and general health conditions vastly improved. The same methods which converted the island of Cuba from a pest hole, which menaced the health of the world, into a healthful place of abode, have been applied on the isthmus with satisfactory results. There is no reason to doubt that when the plans for water supply, paving, and sewerage of Panama and Colon and the large labor camps have been fully carried out, the isthmus will be, for the tropics, an unusually healthy place of abode. The work is so far advanced now that the health of all those employed in canal work is as well guarded as it is on similar work in this country and elsewhere.

What is needed now and without delay is an appropriation by the Congress to meet the current and accruing expenses of the commission. The first appropriation of $10,000,000, out of the $135,000,000 authorized by the Spooner act, was made three years ago. It is nearly exhausted. There is barely enough of it remaining to carry the commission to the end of the year. Unless the Congress shall appropriate before that time all work must cease. To arrest progress for any length of time now, when matters are advancing so satisfactorily, would be deplorable. There will be no money with which to meet pay-roll obligations and none with which to meet bills coming due for materials and supplies; and there will be demoralization of the forces, here and on the isthmus, now working so harmoniously and effectively, if there is delay in granting an emergency appropriation. Estimates of the amount necessary will be found in the accompanying reports of the Secretary of War and the commission.

Department of State.

Neither at home nor abroad is there a sufficient working force to do the business properly. In many respects the system which was adequate to the work of twenty-five, or even ten, years ago, is inadequate now, and should be changed. Our consular force should be classified, and appointments should be made to the several classes, with authority to the Executive to assign the members of each class to duty at such posts as the interests of the service require, instead of the appointments being made as at present to specified posts. There should be an adequate inspection service, so that the Department may be able to inform itself how the business of each consulate is being done, instead of depending upon casual private information or rumor. The fee system should be entirely abolished, and a due equivalent made in salary to the officers who now eke out their subsistence by means of fees. Sufficient provisions should be made for a clerical force in every consulate, composed entirely of Americans, instead of the insufficient provision now made, which compels the employment of great numbers of citizens of foreign countries whose services can be obtained for less money. At a large part of our consulates the office quarters and the clerical force are inadequate to the performance of the onerous duties imposed by the recent provisions of our immigration laws as well as by our increasing trade.

Suitable provision should be made for the expense of keeping our diplomatic officers more fully informed of what is being done from day to day in the progress of our diplomatic affairs with other countries. The lack of such information, caused by insufficient appropriations available for cable tolls and for clerical and messenger service, frequently puts our officers at a great disadvantage and detracts from their usefulness. The salary list should be readjusted. It does not now correspond either to the importance of the service to be rendered and the degrees of ability and experience required in the different positions, or to the differences in the cost of living. In many cases the salaries are quite inadequate.