

President Roosevelt's Message to Congress

To the Senate and House of Representatives:

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

During the period from July 1, 1901, to Sept. 30, 1908, there was an increase in the amount of money in circulation of \$902,291,290. This increase in the per capita during this period was \$7.06. Within this time there were several occasions when it was necessary for the Treasury Department to come to the relief of the money market by purchases or redemptions of United States bonds; by increasing deposits in national banks; by stimulating additional issues of national bank notes, and by facilitating importations from abroad of gold. Our imperfect currency system has made these proceedings necessary, and they were effective until the monetary disturbance in the fall of 1907 immensely increased the difficulty of ordinary methods of relief. By the middle of November the available working balance in the treasury had been reduced to approximately \$5,000,000. Clearing house associations throughout the country had been obliged to resort to the expedient of issuing clearing house certificates, to be used as money. In this emergency it was determined to invite subscriptions for \$20,000,000 of national bonds, and \$100,000,000 three per cent certificates of indebtedness authorized by the act of June 13, 1898. It was proposed to re-deposit in the national banks the proceeds of these issues, and to permit their use as a basis for additional circulating notes of national banks. The moral effect of this procedure was so great that the act of the Treasury to issue only \$2,450,000 of the Panama canal bonds at \$15,435,500 of the certificates of indebtedness.

During the period from July 1, 1901, to Sept. 30, 1908, the balance between the net ordinary receipts and the net ordinary expenses of the government showed a surplus in the four years 1902, 1903, 1904, and 1905, and a deficit in the years 1906, 1907, and 1908, and a fractional surplus in the fiscal year 1909. The net result was a surplus of \$90,229,129. The financial operations of the government during this period, based upon these differences between receipts and expenditures, resulted in a net reduction of the interest-bearing debt of the United States from \$97,141,040 to \$87,253,490, notwithstanding that there had been two sales of Panama canal bonds amounting to \$100,000,000, and a net issue of three per cent certificates of indebtedness under the act of June 13, 1898, amounting to \$15,435,500. Refunding operations of the Treasury Department under the act of March 14, 1900, resulted in the conversion into two per cent consols of \$200,330,400 bonds bearing higher rates of interest. A decrease of \$8,687,356 in the amount of interest charge resulted from these operations.

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

Corporations. As regards the great corporations engaged in interstate business, and especially the railroads, I can only repeat what I have already said and again said in my messages to the Congress. I believe that under the interstate clause of the Constitution the United States has complete and paramount right to control all agencies of interstate commerce, and I believe that the solution of the problem must also exercise this right with wisdom and effectiveness so as both to secure justice from, and to do justice to, the great corporations which are the most important factors in modern business. I believe that it is worse than folly to attempt to prohibit all combinations as is done by the Sherman anti-trust law, or that such a law can be enforced only imperfectly and unequally, and its enforcement works almost as much hardship as good. I strongly advocate that instead of an unwise effort to prohibit all combinations, there shall be substituted a law which shall expressly permit combinations which are in the interest of the public, but shall at the same time give to some agency of the national government full power of control and supervision over them. One of the chief features of this control should be securing entire publicity in all matters which the public has a right to know, and furthermore, the power, not by judicial but by executive action, to prevent or put a stop to every form of improper favoritism or other wrongdoing.

The railroads of the country should be put completely under the interstate commerce commission and moved from the domain of the anti-trust law. The power of the commission should be made thoroughgoing, so that it could exercise complete supervision and control over the issue of securities as well as over the raising and lowering of rates. As regards rates, at least, this power should be summary. The power to investigate the financial operations and accounts of the railroads has been one of the most valuable features in recent legislation. Power to make combinations and traffic agreements should be explicitly conferred upon the railroads, the permission of the commission being first gained and the combination of agreement published in all its details. In the interest of the public should have complete power to see that the railroads do their duty by the public, and as a matter of course this power should also be exercised so as to see that no injustice is done to the railroads.

Telephone and telegraph companies engaged in interstate business should be put under the jurisdiction of the interstate commerce commission.

It is very earnestly to be wished that our people, through their representatives, should act in this matter. It is hard to say whether most damage to the country at large would come from entire failure on the part of the public to supervise and control the actions of the great corporations, or from the exercise of the necessary governmental power in a way which would do injustice and wrong to the corporations. Both the preachers of an unrestricted individualism, and the preachers of an oppression which would deny to able men of business the just reward of their

initiative and business sagacity, are advocating policies that would be fraught with the gravest harm to the whole country. To permit every lawless capitalist, every law-defying corporation, to take any action, no matter how iniquitous, in the effort to secure an improper profit and to build up privilege, would be ruinous to the republic and would mark the abandonment of the effort to build a better industrial world the spirit of democratic fair-dealing. On the other hand, to attack these wrongs in that spirit of demagoguery which can see wrong only when committed by the man of wealth, and is dumb and blind in the presence of wrong committed against men of property or of men of no property, is exactly as evil as corruptly to defend the wrongdoing of men of wealth. The war we wage must be waged against misconduct, against wrongdoing wherever it is found; and we must stand heartily for the rights, of every decent man, whether he be a man of great wealth or a man who earns his livelihood as a workman or a tiller of the soil.

It is well to keep in mind that exactly as this anarchist is the worst enemy of liberty and the reactionary the worst enemy of order, so the men who defend the rights of property have most to fear from the wrongdoers of great wealth, and the men who are championing popular rights have most to fear from the demagogues who in the name of popular rights would do wrong to and oppress honest business men, honest men of wealth; for the excess of either type of wrongdoing necessarily invites a violent reaction against the cause the wrongdoer nominally upholds. In point of danger to the nation there is nothing to choose between on the one hand the corruptivist, the bribe-giver, the bribe-taker, the man who employs his great talent to swindle his fellow-citizens on a large scale, and, on the other hand, the demagogue of the man who, whether from ignorance or from willingness to sacrifice his country to his ambition, persuades well-meaning but wrong-headed men to try to destroy the instruments upon which our prosperity mainly rests. Let each group of men beware of guard against the shortcomings to which that group is itself most prone. Too often we see the business community in spirit of unhealthy class consciousness deplore the effort to hold to account under the law the wealthy men who in their management of great corporations, whether railroads, street carways, or other industrial enterprises, have behaved in a way that revolts the conscience of the plain, decent people. Such an attitude cannot be condemned too severely.

The most of property should recognize the equalization of the rights of property when they feel heartily to join in the effort to do away with the abuses of wealth. On the other hand, those who advocate proper control on behalf of the public, through the State, of those great corporations, and of the wealth engaged on a giant scale in business operations, must ever keep in mind that unless they do this in a spirit of impartial justice, and unless they permit ample profit, and cordially encourage capable men of business so long as they act with honesty, they are striking at the root of our national well-being; for in the long run, under the mere pressure of material distress, the people as a whole would probably go back to the reign of an unrestricted individualism rather than submit to a control by the State so drastic and so foolish, conceived in a spirit of such unreasonable and narrow hostility to wealth, as to prevent business operations from being profitable, and therefore to bring ruin upon the entire business community, and ultimately upon the entire body of citizens. We do not for a moment believe that the problem will be solved by any short and easy method. The solution will come only by pressing various concurrent remedies, which the federal government alone can enact and which is absolutely vital in order to secure the attainment of our purpose. Many laws are needed. There should be legislation by the national government of the great interstate corporations, including a simple method of accounting, and a complete revision of the issue of securities, abolition of rebates and of special privileges. There should be short time franchises for all corporations engaged in public business; including the corporations which get power from water rights. There should be national as well as State guardianship of mines and forests. The labor legislation herein-after referred to should concurrently be enacted into law.

To accomplish this, means of course a certain amount in the use of—not the creation of—power by the general government. The power already exists; it does not have to be created; the only question is whether it shall be used or left idle—and meanwhile the corporations over which the power ought to be exercised will not redden the face of those who object to this increase in the use of the only power available, the national power, be frank, and admit openly that they propose to abandon an effort to control the great business corporations, and to exercise supervision over the accumulation and distribution of wealth; for such supervision and control can only come through this partial kind of government. Democracy is not more believe in that empiricism which demands absolutely unrestrained individualism than we do in that empiricism which clamors for a leading socialism which would destroy all individual initiative, and would ruin the country with a completeness that not even an unrestrained individualism itself could achieve. The danger of the latter kind of government lies not in the concentration of administrative power in responsible and accountable hands. It lies in having the power insufficiently concentrated, so that no one can be held responsible to the people for its use. Concentrated power is palpable, visible, responsible, easily reached, quickly held to account. Power scattered through many administrators, many legislators, many men who work behind and through legislators and administrators, is impalpable, is unseen, is irresponsible, cannot be reached, cannot be held to account. Democracy is in peril wherever the administration of political power is scattered among a variety of men who work in secret, whose very names are unknown to the common people, and is not in peril from any man who derives authority from the people, who exercises it in sight of the people, and who is from time to time compelled to give an account of its exercise to the people.

Labor. There are many matters affecting labor and the status of the workman to which I should like to draw your attention, but all its aspects are not now necessary. This administration is nearing its end; and, moreover, under our form of government the solution of the problem depends upon the action of the States, as much as upon the action of the nation. I believe in a steady effort, or perhaps it would be more accurate to say in steady efforts in many directions, to bring about a better condition of affairs under which the men who work with hand or with brain, the laborers, the superintendents, the men who produce the goods, and the men who sell them in the market for the articles produced, shall have a far greater share than at present of the

wealth they produce, and be enabled to invest it in the tools and instruments by which all the work is carried on. As far as possible I hope to see a frank recognition of the advantages conferred by machinery, organization and division of labor, accompanied by an effort to bring about a larger share of the wealth produced by the factory, railway, mill and factory. In farming, this simply means that we wish to see the farmer own his own land; we do not wish to see the land owned by absentee landlords who farm them by tenants, nor yet so small that the farmer becomes like a European peasant. Similar positions in the savings banks in the new number over one-third of our entire population. These are all capitalists, who through the savings banks loan their money to the workers—that is, in many cases to themselves—carried on their various industries. The more we increase their number, the more we introduce the principles of co-operation into our industry. Every increase in the number of small stockholders in corporations is a good thing, for the same reasons; and where the employees are the stockholders the result is particularly good. It is not more than can be accomplished by legislation; but legislation can do a good deal. Postal savings banks will make it easy for the poorest to accumulate savings. Absolute safety, the regulation of the national highways must be such that they shall serve all the people with equal justice. Corporate finance must be made safe as the man of small means to invest his money in stocks. There must be prohibition of child labor, diminution of woman labor, shortening of hours of labor, prohibition of stock gambling so far as is possible discouraged. There should be a progressive inheritance tax on large fortunes, and a graduated estate tax. As far as possible we should lighten the burden of taxation on the small man. We should put a premium upon thrift, hard work and business energy in these qualities, to be the main factors in accumulating a fortune long before that fortune reaches a point where it would be seriously affected by any inheritance tax that we might impose. We should encourage that the nation should fix the terms upon which the great fortunes are inherited. They rarely do any good and they often do harm to those who inherit them in their entirety.

Protection for Wage Workers. There should no longer be any paltering with the question of taking care of the workman, who, under our present national conditions, is the main factor of labor or of work out as part of the regular incidents of a given business. The majority of wage-workers must have their rights secured for them by State legislation. The government should legislate in thoroughgoing and far-reaching fashion not only for all employees of the national government, but for all persons engaged in interstate commerce.

Pending a thoroughgoing investigation and action there is certain legislation which should be enacted at once. The law, passed in 1903, which provided for granting compensation to certain classes of employees of the government, should be amended to include all employees of the government and should be made more liberal in its terms.

I renew my recommendation that the principle of the eight-hour day should as rapidly and as far as practicable be extended to all workers in the national government; the present law should be amended to embrace contracts on those public works which the present wording of the act seems to exclude.

The Courts. I most earnestly urge upon the Congress the duty of increasing in a particularly marked degree the number of the judges of the district courts, so that there is no body of public servants who do as valuable work, nor whose moneyed reward is so inadequate compared to what they would earn in private life that the performance of public service by them implies an exceedingly heavy pecuniary sacrifice.

It is earnestly to be desired that some honorarium be devised for doing away with the long delays which now obtain in the administration of justice, and which operate with peculiar severity against persons who are unable to pay their legal fees, and in a second provision that the very criminals whom it is most desirable to punish.

At the last election certain leaders of organized labor made a violent and sweeping attack upon the judiciary of this country, an attack couched in such terms as to include the most upright, honest and broad-minded judges, no less than those of narrower mind and more restricted outlook. The result of this attack was to prevent any successful attempt to reform abuses of the judiciary, because it gave the champions of the unjust judge their eagerly desired opportunity to strike a blow into a championship of just judges who were unjustly assailed. Last year, before the House Committee on the Judiciary had heard the testimony of the various demands, specifying the bill that contained them, refusing all compromise, stating they wished the principle of that bill or nothing. The clear violation of a constitutional provision, no injunction should issue except to protect a property right, and specifically provided that the right to carry on business should not be construed as a property right; and in a second provision that his bill made legal in a labor dispute any act or agreement by or between two or more persons that would not have been legal if made by a single person. In other words, this bill legalized blacklisting and boycotting in every form, legalizing, for instance, those forms of the secondary boycott which are now illegal. It would mean the enthronement of class privilege in its crudest and most brutal form, and the destruction of one of the most essential foundations of the judiciary in all civilized lands.

The violence of the crusade for this legislation, and its complete failure, illustrate two truths which it is essential our people should know. In the first place, they ought to teach the workman that the man who works for a wage, and by demanding what is improper and impossible he plays into the hands of his foes. Such a crude and vicious attack upon the judiciary is not temporarily successful, would inevitably in the end cause a violent reaction and would band the great mass of citizens together, competent and incompetent alike, to see the wheels of justice stopped. A movement of this kind can ultimately result in the destruction of the government whose behalf it is nominally intended.

The workman, the workman, the laboring men of the country by the way in which they repudiated the effort to get their case taken up by the House, and in their appeal to class hatred, have emphasized their sound patriotism and Americanism. The whole country has cause to feel pride in the fact that the men who are engaged in this uncompromising insistence upon acting simply as good citizens, as good Americans, without regard to factions—and improper class interests in such a attitude is an objection in good citizenship to the entire nation.

But the extreme reactionaries, the persons who bind themselves to the wrongs now and men committed by the courts on the one hand, and who demand so much as to what such a movement as this points. The judges who have shown themselves able and willing effectively to check an attempt to control the man who works iniquity by the mismanagement of corporations, who have shown themselves alert to do justice to the workman, and sympathetic with the needs of the man of small means, so that he may be able to tenement houses, the man who practices a dangerous trade, the man who is crushed by excessive hours of labor, feel that the courts are the real bulwark of justice; these judges, the judges of the stamp of the President-elect, who have shown themselves alert to bring about a better condition of affairs, who have gone into the work with strict account, fearlessly to hold iniquity, and far-sighted in seeing that the workman gets his rights, are the men of all others to whom we owe if the appeal for such violent and mistaken

legislation has fallen on deaf ears, that the legislation by its passage proved to be with the highest level of the community, and the greatest judges have been shown to be very wise and very great patriots whom the whole country delights to honor. But we must face the fact that there are wise and unwise judges, just as there are wise and unwise executives and legislators. When a President or a governor behaves improperly or unwisely, the remedy is easy, for his term is short; the same is true with the legislator, although not to the same degree, for he is one of many who belong to some given legislative body, and it is therefore less easy to fix his personal responsibility and hold him accountable. With a judge, who, being human, is also likely to err, but whose tenure is for life, there is no similar way of holding him to responsibility. Under ordinary conditions the only way of pressure to which he is in any way amenable are public opinion, and the action of his fellow judges. It is the last which we should look for the reform of abuses. Any remedy applied from without is fraught with risk. It is far better, from every standpoint, that the remedy should come from within. In no other nation in the world is there so much of the court and far-reaching power as in the United States. All that is necessary is that the courts as a whole should exercise this power with the far-seeing wisdom already shown by those judges who see the future while they act in the present.

Forests. If there is any one duty which more than another we owe to our children and our children's children to perform, it is to save the forests of this country, for they constitute the first and most important element in the conservation of the natural resources of the country. It matters not whether the deforestation is due to the actual reckless cutting of timber, to the fires that inevitably follow such reckless and uncontrolled grazing, especially by the great migratory herds of which the unchecked wandering of which over the country means destruction to forests and disaster to the small home makers, the settlers of limited means.

Shortsighted persons or persons blinded to the future by desire to make money in every way out of the present, sometimes speak as if no great damage would be done by the reckless destruction of our already so difficult to have patience with the arguments of these persons. Thanks to our own recklessness in the use of our splendid forests, we have already crossed the line of a timber famine in this country, and no measure that we now take can, at least for many years, undo the mischief that has already been done. But we can prevent further mischief, and we can have the highest degree of responsibility to let any consideration of temporary convenience or temporary cost interfere with such action, especially as regards the revenue which the direct result of the least fifty injunctions have been obtained by labor unions in New York City alone, most of them being to protect the union label, a "property right," but some being otherwise. The revenue which has been obtained by the power of injunction is of an equitable remedy which should not be accorded to destroyed. But safeguards should be erected to prevent the abuse of such provisions as those I advocated a year ago for checking the abuse of the issuance of temporary injunctions should be adopted.

The chief lawmakers in our country may be and often are the judges, because they are the final seal of authority. Every time they interpret contract, property, vested rights, due process of law, liberty, they create law. They are the final interpreters of social philosophy; and as such interpretation is fundamental, they give direction to all law-making. The decisions of the courts on economic and social questions have a more direct and more practical philosophy; and for the peaceful progress of our people during the twentieth century we shall owe most to those judges who have shown the greatest wisdom, social and social philosophy, and not to a long outgrown philosophy, which was itself the product of primitive economic conditions.

The legislators and executive are chosen to represent the people in their respective administering the laws. The judges are not chosen to represent the people in this sense. Their function is to interpret the laws. The legislature is responsible for the laws, the judges for the spirit in which they interpret and enforce the laws. We stand aloof from the reckless agitators who would make the want of some sort of social philosophy; and as such interpretation is fundamental, they give direction to all law-making. The decisions of the courts on economic and social questions have a more direct and more practical philosophy; and for the peaceful progress of our people during the twentieth century we shall owe most to those judges who have shown the greatest wisdom, social and social philosophy, and not to a long outgrown philosophy, which was itself the product of primitive economic conditions.

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National Parks. I urge that all our national parks adjacent to national forests be placed under the control of the forest service of the agricultural department, instead of leaving them as they now are, in the interior department and policed by the army.

Pure Food. The pure food legislation has already worked a benefit difficult to overestimate.

Indian Service. It has been my purpose from the beginning of my administration to take the Indian service completely out of the sphere of political activity, and there has been steady progress toward that end.

Secret Service. Last year an amendment was incorporated in the measure providing for the secret service, which provided that there should be no detail from the secret service or transfer therefrom. It is not too much to say that in its present form the restriction operates only to the advantage of the criminal and the defaulter.

Postal Savings Banks. I again renew my recommendation for postal savings banks, for depositing savings with the security of the Government behind them. The object is to encourage thrift and economy in the wage-earner and the man of moderate means. There are many localities in the United States where sufficient opportunity is not given to the people to deposit their savings. The remedy is to keep the money out of the unemployed. It is believed that in the aggregate vast sums of money would be brought into circulation through the instrumentality of the postal savings bank.

Parcels Post. In my last annual message I commended the postmaster general's recommendation for an extension of the parcel post on the rural routes. The establishment of a local parcel post on rural routes would be to the benefit of the farmer and the country forekeeper, and it is desirable that routes, serving more than 15,000,000 people, should be utilized to the fullest practicable extent. It would seem only proper that an experiment should be tried in order to demonstrate the practicality of the proposition.

Education. The share that the national government should take in the broad work of education has not received the attention and the care it fully deserves. The immediate responsibility for the support and improvement of our educational systems and institutions rests and should always rest with the people of the several States, through their state and local governments, but the nation has an opportunity in educational work which must not be lost and a duty which should no longer be neglected.

With the limited means hitherto provided, the bureau of education has rendered efficient service, but the Congress has neglected to adequately supply the bureau with the funds necessary to meet the needs of the country. I earnestly recommend that this unfortunate state of affairs as regards the national educational office be remedied by adequate appropriations.

Census. I commend to the Congress the careful consideration of the admirable report of the director of the census, and I trust that his recommendations will be adopted and immediate action thereon taken.

Public Health. It is highly advisable that there should be intelligent action on the part of the nation on the question of preserving the health of the country. The first legislative act to be taken is that for the concentration of the public health into one of the existing departments. It therefore urgently recommend the passage of a bill which shall authorize a redistribution of the bureau which shall best accomplish this end.

Government Printing Office. I recommend that legislation be enacted placing under the jurisdiction of the department of commerce and labor the government printing office.

Soldiers' Homes. All Soldiers' Homes should be placed under the complete jurisdiction and control of the war department.

Independent Bureaus and Commissions. Economy and sound business policy require that all existing independent bureaus and commissions should be placed under the jurisdiction of appropriate executive departments.

Statehood. I advocate the immediate admission of

be held in peculiar honor. On an average they stand above any other servants of the community, and the greatest judges have been shown to be very wise and very great patriots whom the whole country delights to honor. But we must face the fact that there are wise and unwise judges, just as there are wise and unwise executives and legislators. When a President or a governor behaves improperly or unwisely, the remedy is easy, for his term is short; the same is true with the legislator, although not to the same degree, for he is one of many who belong to some given legislative body, and it is therefore less easy to fix his personal responsibility and hold him accountable. With a judge, who, being human, is also likely to err, but whose tenure is for life, there is no similar way of holding him to responsibility. Under ordinary conditions the only way of pressure to which he is in any way amenable are public opinion, and the action of his fellow judges. It is the last which we should look for the reform of abuses. Any remedy applied from without is fraught with risk. It is far better, from every standpoint, that the remedy should come from within. In no other nation in the world is there so much of the court and far-reaching power as in the United States. All that is necessary is that the courts as a whole should exercise this power with the far-seeing wisdom already shown by those judges who see the future while they act in the present.

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Statehood. I advocate the immediate admission of

New Mexico and Arizona as states. This should be done at the present session of the Congress.

Interstate Fisheries. I call the attention of the Congress to the importance of the problem of the fisheries in the interstate waters. In this as in similar problems the obvious and simple rule should be the freedom of having those matters which are of national character managed taken in hand by the United States.

Fisheries and Fur Seals. The federal statute regulating interstate traffic in game should be extended to include the fish. New federal fish fisheries should be established. The administration of the Alaskan fur seal service should be vested in the Bureau of Fisheries.

Foreign Affairs. This nation's foreign policy is based on the theory that right must be done between nations precisely as between individuals, and in our action for the last ten years we have in this matter proven our faith by our deeds. We have behaved, and are behaving, towards other nations, as in private life towards other men would behave towards his fellows.

Latin-American Republics. The commercial and material progress of the twenty Latin-American republics is worthy of the careful attention of the Congress. No other section of the world has shown a greater proportionate development of its foreign trade during the last ten years and no other has more special claims on the interests of the United States.

Panama Canal. The work on the Panama Canal is being done with a speed, efficiency and care devoted to duty, which make it a model for all work of the kind. No task of such magnitude has ever before been undertaken by any nation, and no task of the kind has ever been so well performed.

Ocean Mail Lines. I again recommend the extension of the ocean mail act of 1891 so that satisfactory American ocean mail lines to South America, Asia, the Philippines, and Australasia may be established.

Hawaii. I call particular attention to the Territory of Hawaii. The importance of this island is apparent, and the need of improving its condition and developing its resources is urgent.

The Philippines. Real progress toward self-government is being made in the Philippine Islands. The gathering of a Philippine legislative body and Philippine assembly marks a process absolutely new in the history of any other Asiatic colonies of European powers, but as regards Asiatic possessions of other Asiatic powers, and, indeed, always excepting the striking and wonderful example afforded by the island of Japan, it is the only one entirely new departure when compared with anything which has happened among Asiatic powers which are their own masters. I hope that before long the people of the Philippines will be able to take the beginning of a course which will continue till the Philippines become fit to decide themselves whether they desire to be an independent nation. All we can do is to give them the opportunity, and to make it possible for their self-government. I trust that within a generation the time will arrive when the Philippines can decide for themselves whether it is to remain a territory, or to continue under the protection of a strong and disinterested power, able to guarantee to the islands order at home and protection from foreign invasion.

Porto Rico. I again recommend that American citizenship be conferred upon the people of Porto Rico.

Cuba. In Cuba our occupancy will cease in about two months' time; the Cubans have in orderly manner elected their own governmental authorities, and the island will be turned over to them. Our occupancy on this occasion has lasted a little over two years, and Cuba has thriven and prospered under it.

The Army. As regards the Army, I call attention to the fact that while our junior officers and enlisted men stand very high, the present system of promotion for senior positions is bringing into the higher grades many men of mediocre capacity who have but a short time to serve. No man should regard it as his vested right to rise to the highest rank in the Army, and no man should regard it as a profession. It is a curious and by no means creditable fact that there should be so often a failure on the part of the public and its representatives to understand the great need from the standpoint of the service and the nation, of refusing to promote respectable, elderly incompetents. The higher places should be given to the most deserving men, and to those who are at least seniority should be treated as only one consideration. In the stress of modern industrial competition no business firm could succeed if they were dependent for its management on men chosen simply on the ground that they were the oldest people in its employment; yet this is the course advocated as regards the Army, and required by law for all grades above those of general and colonel. The cavalry arm should be reorganized upon modern lines. This is an arm in which it is peculiarly necessary that the field officers should not be old.

As for the organized militia, the National Guard, which is now organized with the Army as a part of the national forces, it behooves the government to do every reasonable thing in its power to perfect its efficiency. The several States should be provided a complete plan for organizing the great body of volunteers behind the regular Army and national guard when war has come.

The Navy. I approve the recommendations of the general board for the increase of the navy calling special attention to the need of additional destroyers and colliers, and in desire of all of the four battleships. It is desirable to complete as soon as possible a squadron of eight battleships of the type existing type. Nothing better for the navy from every standpoint has ever occurred than the cruise of the battle fleet around the world. An experiment should be tried in every way has been extraordinary, and they have gained far more experience in battle tactics than they would have gained if they had remained in the waters. The American people have cause for profound gratification, both in view of the excellent condition of the fleet as shown by this cruise, and in view of the improvement of the fleet which has worked in this already high condition.

Theodore Roosevelt

Big Electrical Contract. The directors of the Pennsylvania railroad has announced the signing of a \$5,000,000 contract with the Westinghouse Electric and Manufacturing Company for the complete electrification of the new terminal station and tunnels under the Hudson at New York. The system is to be that of the overhead trolley and not that of the third rail. The engines will be of entirely new type and the most powerful in existence. They will be built to pull any train on the grades of the Pennsylvania from under the river to the street surface level at a high speed. An engine now being tested in Long Island City has already done more than 90 miles an hour and is capable of doing 120 miles. To run the system, 250,000 horse-power will be required. The contract is to be completed in twenty months. The plans are made for the handling of 1,000 trains daily, twice as many as will be on the schedule of the New York Central system.

President-elect Taft accepted an invitation to become the guest of Mr. and Mrs. Landon A. Thomas of Augusta, Ga. The Taft family will arrive at Atlanta Dec. 18 and spend the holidays there.

Premier Asquith announced in the House of Commons that because of the opposition of the Anglican church to the education bill the government had withdrawn the measure.