resentatives:

The relations of the United States with all foreign governments have conand good understanding, and are very

generally satisfactory. Pursuant to the provisions of the between the United States and Great Britain, April 4, 1908, a special agreement was entered into between the two countries on January 27, 1909, for the submission of questions relating to the fisheries on the North Atlantic coast to a tribunal to be formed from members of the permanent court of arbitration at The Hague. In accordance with the printed case of each government was, on October 4 last, submitted to the preparation.

eries article of the treaty of 1818 have uneventful and satisfactory manner. been a cause of difference between the United States and Great Britain for remove a source of constant irritation The Hague.

The treaty between the United States and Great Britain concerning the national boundary line between the United States and the Dominion of Canada in the waters of the Passamaquoddy bay, and provides for the exchange of briefs within the period of six months. The briefs were duly presented within the prescribed period, but as the commissioners failed to agree within six months after the exchange of the printed statements, as required by the treaty, it has now become necessary to resort to the arbitration provided for in the article

The international fisheries commission appointed pursuant to and under the authority of the convention of April 11, 1908, between the United States and Great Britain, has completed a system of uniform and common international regulations for the protection and preservation of the food fishes in international boundary waters of the United States and Canada.

The regulations will be duly submitted to Congress with a view to the enactment of such legislation as will be necessary under the convention to put them into operation.

The convention providing for the settlement of international differences between the United States and Canada, including the apportionment between the two countries of certain of the boundary waters and the appointment of commissioners to adjust certain other questions, signed on the 11th day of January, 1909, and to the ratification of which the Senate gave its advice and consent on March 3, 1909, has not yet been ratified on the part of Great Britain.

Commissioners have been appointed on the part of the United States to act jointly with commissioners on the part of Canada in examining into the question of obstructions in the St. John River between Maine and New Brunswick, and to make recommendations and are now engaged in this work.

Negotiations for an international conference to consider and reach an with as prisoners of war. arrangement providing for the preservation and protection of the fur seals in the North Pacific are in progress with the governments of Great Britain, Japan and Russia. The attitude of the governments interested leads me to hope for a satisfactory settlement of this question as the ultimate outcome of the negotiations.

His Majesty Mehmed V., Sultan of Turkey, recently sent to this country a special embassy to announce his accession. The quick transition of the government of the Ottoman empire from one of retrograde tendencies to a constitutional government with a Parliament and with progressive modern policies of reform and public improvements is one of the important phenomena of our times. Constitutional government seems also to have made further advance in Persia. These States has spread widely through the peaceful influence of American schools, universities and missionaries. There a greater share of the commerce of the Near East since the conditions are more favorable now than ever before.

Our Latin American Neighbors. To-day, more than ever before, American capital is seeking investment in foreign countries, and American products are more and more generally seeking foreign markets. As a consequence, in all countries there are American citizens and American interests to be protected, on occasion, by their government. These movements of men, of capital, and of commodities bring peoples and governments closer together and so form bonds of peace and mutual dependency, as they must neither the doctrine as it exists nor leads to mutual appreciation. any other doctrine of American policy should be permitted to operate for the perpetuation of irresponsible government, the escape of just obligations, or the insidious allegation of dominating ambitions on the part of the United

My meeting with President Diaz and the greeting exchanged on both American and Mexican soil served, I hope, This declaration imposes upon the secto signalize the close and cordial relations which so well bind together this republic and the great republic immediately to the south, between which there is so vast a network of material

interests. I am happy to say that all but one of relations with Venezuela have been settled within the past few months and that, under the enlightened regime now directing the government of Venezuela,

by the Panaman police this year. The sanitary improvements and pubgeneral treaty of arbitration concluded lic works undertaken in Cuba prior to the present administration of that government, in the success of which the United States is interested under the treaty, are reported to be making good progress and since the Congress provided for the continuance of the reciprocal commercial arrangement between Cuba and the United States assurance has been received that no negotiations the provisions of the special agreement | injuriously affecting the situation will

be undertaken without consultation. The collection of the customs of the other and to the arbitral tribunal at Dominican Republic through the gen-The Hague, and the counter case of eral receiver of customs appointed by the United States is now in course of the President of the United States in accordance with the convention of The American rights under the fish- February 8, 1907, has proceeded in an

Many years ago diplomatic intervention became necessary to the protecnearly seventy years. The interests tion of the interest in the American Involved are of great importance to claim of Alsop and company against the American fishing industry, and the the government of Chile. The governfinal settlement of the controversy will ment of Chile had frequently admitted obligation in the case and had promand complaint. This is the first case | ised this government to settle it. There involving such great international had been two abortive attempts to do questions which has been submitted to so through arbitral commissions, which the permanent court of arbitration at failed through lack of jurisdiction. Now, happily, as the result of the recent diplomatic negotiations, the governments of the United States and of | consistent with imperative governmental Canadian international boundary, con- Chile, actuated by the sincere desire cluded April 11, 1908, authorizes the to free from any strain those cordial appointment of two commissioners to and friendly relations upon which both define and mark accurately the inter- set such store, have agreed by a protocol to submit the controversy to .lefinitive settlement by His Britannic Majesty, Edward VII.

The Nicaraguan Difficulty. Since the Washington conventions of 1907 were communicated to the government of the United States as a consulting and advising party, this government has been almost continuously called upon by one or another, and turn by all of the five Central Amer can republics, to exert itself for the maintenance of the conventions. Nearly every complaint has been against the Zelaya government of Nicaragua, which has kept Central America in constant tension or turmoil. The responses made to the representations of Central American republics, as due rom the United States on account of its relation to the Washington conventions, have been at all times conservalive and have avoided, so far as possible, any semblance of interference, although it is very apparent that the considerations of geographic proximity to the Canal zone and of the very substantial American interests in Central America give to the United States a special position in the zone of these republics and the Caribbean Sea.

I need not rehearse here the patient efforts of this government to promote peace and welfare among these republics, efforts which are fully appreciated by the majority of them who are loyal to their true interests. It would be no less unnecessary to rehearse here the sad tale of unspeakable barbarities and oppression alleged to have been committed by the Zelaya government. Recently two Americans were put to death by order of President Zelaya himself. They were officers in the organized forces of a revolution which had continued many weeks and was in control of about half of the republic, for the regulation of the uses thereof, and as such, according to the modern enlightened practice of civilized nations, they were entitled to be dealt

At the date when this message is printed this government has terminated diplomatic relations with the Zelaya government, for reasons made public in a communication to the former Nicaraguan charge d'affaires, and is intending to take such future steps as may be found most consistent with its dignity, its duty to American interests and its moral obligations to Central America and to civilization. It may be necessary for me to bring this subject to the attention of the Congress in a special message.

The International Bureau of American Republics has carried on an important and increasing work during the last year. In the exercise of its peculiar functions as an international agency, maintained by all the American republics for the development of events have turned the eyes of the Pan-American commerce and friendworld upon the Near East. In that ship, it has accomplished a great pracquarter the prestige of the United tical good which could be done in the same way by no individual department or bureau of one government, and is therefore deserving of your liberal is every reason why we should obtain support. The fact that it is about to enter a new building, erected through the munificence of an American philanthropist and the contributions of all the American nations, where both its efficiency of administration and expense of maintenance will naturally be much augmented, further entitles it

to special consideration. Relations in the Far East.

In the Far East this government preserved unchanged its policy of supporting the principle of equality of opportunity and scrupulous respect for the integrity of the Chinese Empire, to which policy are pledged the interested powers of both east and west.

Our traditional relations with the points of friction. The Pan-American usual. As the representative of Japan, policy of this government has long his imperial highness Prince Kuni visbeen fixed in its principles and remains | ited the Hudson-Fulton celebration. unchanged. With the changed circum- The recent visit of a delegation of stances of the United States and of the prominent business men as guests of republics to the south of us, most of the chambers of commerce of the Pawhich have great natural resources, cific slope, whose representatives had stable government and progressive been so agreeably received in Japan, ideals, the apprehension which gave will doubtless contribute to the growrise to the Monroe doctrine may be ing trade across the Pacific, as well said to have nearly disappeared, and as to that mutual understanding which

Expenditures and Revenues.

Perhaps the most important question presented to the administration is that of economy in expenditures and sufficiency of revenue. The deficit of the last fiscal year, and the certain deficit of the cur-rent year, prompted Congress to throw a greater responsibility on the executive and the secretary of the treasury than had heretofore been declared by statute. retary of the treasury the duty of assembling all the estimates of the executive departments bureaus, and offices, of the expenditures necessary in the ensuing fiscal year, and of making an estimate of the revenues of the government for the same period; and if a probable deficit is thus shown, it is made the duty of the the cases which for so long vexed our President to recommend the method by which such deficit can be met.

The report of the secretary shows that the ordinary expenditures for the current fiscal year ending June 30, 1910, will exceed the estimated receipts by \$34,075,620. provision has been made for arbitra- If to this deficit is added the sum to be

To the Senate and the House of Rep | tion of the remaining case before The | disbursed for the Panama canal, amount- | amination of the law and an understand-Hague tribunal. On July 30, 1909, the ing to \$38,000,000, and \$1,000,000 to be government of Panama agreed, after paid on the public debt, the deficit of ordinary receipts and expenditures will be considerable negotiation, to indemnify increased to a total deficit of \$73,075,the relatives of the American officers 620. This deficit the secretary proposes tinued upon the normal basis of amity and sailors who were brutally treated, to meet by the proceeds of bonds issued one of them having, indeed, been killed to pay the cost of constructing the Panama canal. I approve this proposal.

> tion of the Panama canal, not out of current revenue, but by bond issues, was adopted in the Spooner act of 1902, and there seems to be no good reason for departing from the principle by which a part at least of the burden of the cost of the canal shall fall upon our posterity who are to enjoy it; and there is all the more reason for this view because the actual cost to date of the canal, which is now half done and which will be completed Jan. 1, 1915, shows that the cost of engineering and construction will be \$297,766,000, instead of \$139,705,200, as originally estimated. In addition to engineering and construction, the other expenses, including sanitation and government, and the amount paid for the properties, the franchise, and the privilege of building the canal, increase the cost by \$75,435,000, to a total of \$375,201,000. The increase in the cost of engineering and construction is due to a substantial enlargement of the plan of construction by widening the canal 100 feet in the Culebra cut and by increasing the dimensions of the locks, to the underestimate of the quantity of the work to be done under the original plan, and to an underestimate of the cost of labor and materials, both of which have greatly enhanced in price since the original estimate was made.

In order to avoid a deficit for the ensuing fiscal year I directed the heads of departments in the preparation of their estimates to make them as low as possible necessity. The result has been as I am advised by the secretary of the treasury that the estimates for the expenses of the government for the next fiscal year ending June 30, 1911, are less than the appropriations for this current fiscal year by \$42,818,000. So far as the secretary of the treasury is able to form a judgment as to future income and compare it with the expenditures for the next fiscal year ending June 30, 1911, and excluding payments on account of the Panama canal which will doubtless be taken up by bonds, there will be a surplus of \$35,-931.000.

In the present estimates the needs of he departments and of the government have been cut to the quick, so to speak, and any assumption on the part of Congress, so often made in times past, that the estimates have been prepared with the expectation that they may be reduced, will result in seriously hampering proper administration.

The secretary of the treasury points out what should be carefully noted in respect to this reduction in governmental expenses for the next fiscal year, that the economies are two kinds-first, there is a saving in the permanent administration of the departments, bureaus, and offices of the government; and, second, there is a present reduction in expenses by a postponement of projects and improvements that ultimately will have to be carried out, but which are now delayed with the hope that additional revenue in the future will permit their execution without producing a deficit.

I am aware that there is a strong feeling in both houses of Congress, and possibly in the country, against the establishment of civil pensions, and that this has naturally grown out of the heavy burden of military pensions, which it has always been the policy of our government to assume; but I am strongly convinced that no other practical solution of the difficulties presented by the superannuation of civil servants can be found than that of a system of civil pensions.

The business and expenditures of the government have expanded enormously since the Spanish war, but as the revenues have increased in nearly the same proportion as the expenditures until recently, the attention of the public, and of those responsible for the government, has not been fastened upon the question of reducing the cost of administration. We cannot, in view of the advancing prices of living, hope to save money by a reduction in the standard of salaries paid. Indeed, if any change is made in that regard, an increase rather than a decrease will be necessary; and the only means of economy will be in reducing the number of employes and in obtaining a greater average of efficiency from those retained in the service.

Frauds in the Customs Service. I regret to refer to the fact of the discovery of extensive frauds in the collection of the customs revenue at New York City, in which a number of the subordinate employes in the weighing and other departments were directly concerned, and in which the beneficiaries were the American Sugar Refining Company and others. The frauds consisted in the payment of duty on underweights of sugar. The government has recovered from the American Sugar Refining Company all that it is shown to have been defrauded of. The sum was received in full of the amount due, which might have been recovered by civil suit against the beneficiary of fraud, but there was an express reservation in the contract of settlement by which the settlement should not interfere with, or prevent the criminal prosecution of everyone who was found to be subject to the same.

Criminal prosecutions are now-proceeding against a number of the government officers, It would seem to me that an investigation of the frauds by Congress at present, pending the probing by the treasury department and the department of justice, as proposed, might by giving immunity and otherwise prove an embarrassment in securing conviction of the

guilty parties.

The New Tariff Law. Two features of the new tariff act call for special reference. By virtue of the clause known as the "Maximum and Minimum" clause, it is the duty of the executive to consider the laws and practices of other countries with reference to the importation into those countries of the products and merchandise of the United States, and if the excutive finds such laws and practices not to be unduly discriminatory against the United States, the also naturally sometimes make passing Japanese empire continue cordial as minimum duties provided in the bill are the public treasury and make recommentative of Japan. The Pan-American usual. As the representative of Japan. to go into force. Unless the President dation with a view to simplifying and present growth. makes such a finding, then the maximum | expediting the procedure as far as possible duties provided in the bill, that is, an increase of 25 per cent ad valorem over the minimum duties, are to be in force. Fear has been expressed that this power conferred and duly imposed on the executive is likely to lead to a tariff war. I beg to express the hope and belief that no such result need be anticipated.

The discretion granted to the Executive by the terms "unduly discriminatory" is wide. In order that the maximum duty shall be charged against the imports from a country, it is necessary that he shall find on the part of that country not only discriminations in its laws or the practice under them against the trade of the United States, but that the discriminations found shall be undue; that is, without good and fair reason. I conceive that this power was reposed in the President with the hope that the maximum duties might never be applied in any case, but that the power to apply them would enable the President and the state department through friendly negotiation to secure the elimination from the laws and the practice under them of any foreign country of that which is unduly discriminatory. No one is seeking a tariff war or a condition in which the spirit of retaliation shall be aroused.

The new tariff law enables me to appoint a tariff board to assist me in connection with the department of state in the administration of the minimum and maximum clause of the act and also to delay necessary to give such notice and assist officers of the government in the hearing would result in irreparable injury administration of the entire law. An ex- to the complainant.

ing of the nature of the facts which should be considered in discharging the functions imposed upon the executive show board to make a comprehensive glossary and encyclopedia of the terms used and articles embraced in the tariff law, and to secure information as to the cost of The policy of paying for the construcproduction of such goods in this country countries. I have therefore appointed a tariff board consisting of three members and have directed them to perform all the duties above described.

War and Navy Departments.

In the interest of immediate economy and because of the prospect of a deficit, I have required a reduction in the estimates of the war department for the coming fiscal year, which brings the total estimates down to an amount \$45,000,000 less than the corresponding estimates for last year. The secretary of war calls attention to a number of needed changes in the army, in all of which I concur. The coast defenses of the United States proper are generally all that could be desired, and in some respects they are rather more elaborate than under present conditions are needed to stop an enemy's fleet from entering the haroors deended. The military and naval joint board have unanimously agreed that it would be unwise to make the large expenditures which at one time were contemplated in the establishment of a naval base and station in the Philippine islands, and have expressed their judgment, in which I fully concur, in favor of making an extensive naval base at Pearl harbor, near Honolulu, and not in the Philippines.

This does not dispense with the necessity for the comparatively small appropriations required to finish the proper coast defenses in the Philippines now under construction on the island of Corregidor and elsewhere or to complete a suitable repair station and coaling supply station at Olongapo, where is the floating dock "Dewey." I hope that this recom-mendation of the joint board will end the discussion as to the comparative merits of Manila bay and Olongapo as naval stations, and will lead to prompt measures for the proper equipment and defense of

The return of the battleship fleet from its voyage around the world, in more efficient condition than when it started, was a noteworthy event of interest alike to our citizens and the naval authorities of the world. Besides the beneficial and farreaching effect on our personal and diplofleet visited, the marked success of the ships in steaming around the world in all weathers on schedule time has increased respect for our navy and has added to our national prestige. Our enlisted personnel recruited from all sections of the country is young and energetic and representative of the national spirit. Owing to the necessity for economy in expenditures, I have directed the curtailment of recommendations for naval appropriations so that they are thirty-eight millions less than the corresponding estimates of last year, and the request for new naval construction is limited to two first-class bat-

tle ships and one repair vessel. The use of a navy is for military purposes, and there has been found need in the department of a military branch dealing directly with the military use of the fleet. The secretary of the navy has also felt the lack of responsible advisers to aid him in reaching conclusions and deciding important matters between co-ordinate branches of the department. To secure these results he has inaugurated a tentative plan involving certain changes in the organization of the navy department, including the navy yards, all of which have been found by the attorney general to be in accordance with law, 1 have approved the execution of the plan proposed because of the greater efficiency and economy it promises.

The Department of Justice. The deplorable delays in the administration of civil and criminal law have received the attention of committees of the American Bar Association and of many state bar *ssociations, as well as the considered thought of judges and jurists. In my judgment, a change in judicial procedure, with a view to reducing its expense to private litigants in civil cases and facilitating the dispatch of business and final decision in both civil and criminal cases, constitutes the greatest need in our American institutions. do not doubt for one moment that much of the lawless violence and cruelty exhibited in lynchings is directly due to the uncertainties and injustice growing out of the delays in trials, judgments, and the executions thereof by our courts. Of course these remarks apply quite as well to the administration of justice in state courts as to that in federal courts, and without making invidious distinction it is perhaps not too much to say that, speaking generally, the defects are less in the federal courts than in the state courts. But they are very great in the federal courts. The expedition with which business is disposed of both on the civil and the criminal side of English courts under modern rules of procedure makes the delays in our courts seem archaic and barbarous. The procedure in the federal courts should furnish an example for the state courts.

I presume it is impossible, without an amendment to the constitution, to unite under one form of action the proceedings at common law and proceedings in equity in the federal courts, but it is certainly not impossible by a statute to simplify and make short and direct the procedure both at law and in equity in those courts. It is not impossible to cut down still more than it is cut down, the jurisdiction of the supreme court so as to confine it almost wholly to statutory and constitutional questions. Under the present statutes the equity and admiralty procedure in the federal courts is under the contro of the supreme court, but in the pressure of business to which that court is subjected, it is impossible to hope that a radical and proper reform of the federal equity procedure can be brought about. I therefore recommend legislation providing for the appointment by the President of a commission with authority t examine the law and equity procedure of the federal courts of first instance, th law of appeals from those courts to the courts of appeals and to the supreme court, and the costs imposed in such procedure upon the private litigants and upon and making it as inexpensive as may be to the litigant of little means.

"Snap" Injunctions.

The platform of the successful party in the last election contained the following: "The Republican party will uphold at all times the authority and integrity of the courts, state and federal, and will ever insist that their powers to enforce their process and to protect life, liberty, and property shall be preserved inviolate. We believe, however, that the rules of procedure in the federal courts with respect to the issuance of the writ of injunction should be more accurately defined by statute, and that no injunction or temporary restraining order should be issued without notice, except where irre-parable injury would result from delay, in which case a speedy hearing thereafter should be granted."

I recommend that in compliance with the promise thus made, appropriate legislation be adopted. The ends of justice will best be met and the chief cause of complaint against ill-considered injunctions without notice will be removed by the enactment of a statute forbidding hereafter the issuing of any injunction or restraining order, whether temporary or permanent, by any federal court, without previous notice and a reasonable opportunity to be heard on behalf of the parties to be enjoined; unless it shall appear to the satisfaction of the court that the

evidence make a written finding, which shall be spread upon the court minutes, that immediate and irreparable injury is that I have the power to direct the tariff | likely to ensue to the complainant, and shall define the injury, state why it is irreparable, and shall also endorse on the order issued the date and the hour of the issuance of the order. Moreover, every such injunction or restraining order issued and the cost of their production in foreign | without previous notice and opportunity by the defendant to be heard should by force of the statute expire and be of no effect after seven days from the issuance thereof or within any time less than that period which the court may fix, unless within such seven days or such less period, the injunction or order is extended or

renewed after previous notice and opportunity to be heard. My judgment is that the passage of such an act which really embodies the best practice in equity and is very like the rule now in force in some courts, will of injunction without notice and will render such orders when issued much less objectionable by the short time in which

they may remain effective.

Interstate Commerce Laws. The jurisdiction of the general government over interstate commerce has led to the passage of the so-called "Sherman Antitrust Law" and the "Interstate Commerce Law" and its amendments. The developments in the operation of those laws, as shown by indictments, trials, judicial decisions, and other sources of information, call for a discussion and some suggestions as to amendments.

The Postoffice Department.

The deficit every year in the postoffice department is largely caused by the low rate of postage of 1 cent a pound charged on second-class mail matter, which includes not only newspapers but magazines and miscellaneous periodicals. The actual loss growing out of the transmission of this second-class mail matter at 1 cent a pound amounts to about \$63,000 .-000 a year. The average cost of the transportation of this matter is more than 9 cents a pound.

A great saving might be made amounting to much more than half of the loss, by imposing upon magazines and periodicals a higher rate of postage. They are much heavier than newspapers, and contain a much higher proportion of advertising to reading matter, and the average distance of their transportation is

three and a half times as great, The total deficit for the last fiscal year 500,000. The branches of its business which it did at a loss were the second class mail service, in which the loss as already said was \$63,000,000, and the free rural delivery, in which the loss was \$28,-000,000. Those losses were in part offset by the profits of the letter postage and other sources of income. It would seen wise to reduce the loss upon second class mail matter, at least to the extent of preventing a deficit in the total operations of the post office department,

The second subject worthy of mention in the postoffice department is the real necessity and entire practicability of establishing postal savings banks. cessful party at the last election declared n favor of postal savings banks, and although the proposition finds opponents in many parts of the country, I am convinced that the people desire such banks, and am sure that when the banks are furnished they will be productive of the utmost good. I believe them to be necessary in order to offer a proper inducement to thrift and saving to a great many people of small means who do not now have banking facilities, and to whom such a system would offer an opportunity for the accumulation of capital, They will furnish a satisfactory substitute, based on sound principle and actual successful trial in nearly all the countries of the world, for the system of government guarantee of deposits now being adopted in several western states, which with deference to those who advocate it seems to me to have in it the seeds of demoralization to conservative banking

and certain financial disaster. The question of how the money deposited in postal savings banks shall be invested is not free from difficulty, but I believe that a satisfactory provision for this purpose was inserted as an amend- ing from notes and using a number of ment to the bill considered by the Senate at its last session. It has been proposed to delay the consideration of legislation establishing a postal savings bank until after the report of the monetary commission. This report is likely to be delayed and properly so, because of the necessity for careful deliberation and close investigation. I do not see why the one should be tied up with the other. It is understood that the monetary commission have looked into the systems of banking which now prevail abroad, and have found that by a control there exercised in respect to reserves and the rates of exchange by some central authority panics are avoided. It is not apparent that a system of postal savings banks would in any way interfere with a change to such a system here. Certainly in most of the countries in Europe where control is thus exercised by a central authority, postal savings banks exist and are not thought to be inconsistent with a proper financial and

banking system.

Recommends Ship Subsidy. Following the course of my distinguished predecessor, I earnestly recomhe establishment of lines between our Atlantic seaboard and the eastern coast South America, China, Japan and the Philippines.

Interior Department.

The successful party in the last elec favor of the admission as separate states of New Mexico and Arizona, and I rec ommend that legislation appropriate to this end be adopted.

A Governor for Alaska.

With respect to the territory of Alaska, I recommend legislation which shall provide for the appointment by the Presdent of a governor and also an executive council, the members of which shall during their term of office reside in the territory, and which shall have legislative the Industrial Workers of the World powers sufficient to enable it to give to the territory local laws adapted to its have been waging at Spokane reached Conservation of National Resources.

In several departments there is pre- picked out to serve this purpose, one sented the necessity for legislation look- charged with vagrancy and the other ing to the further conservation of our national resources, and the subject is one of such importance as to require a more | Central Labor Union and the socialists detailed and extended discussion than can have come to the assistance of the L be entered upon in this communication. For that reason I shall take an early opportunity to send a special message to Congress on the subject of the improve- sary. All of the women arrested were ment of our waterways, upon the reclamation and irrigation of arid, semi-arid and swamp lands; upon the preservation promise not to take an active part un. of our forests and the reforesting of suit- til the test cases have been disposed able areas; upon the reclassification of the public domain with a view of separating from agricultural settlement mineral, coal and phosphate lands and sites belonging to the government bordering on streams suitable for the utilization of water power.

Department of Agriculture.

I commend to your careful consideration the report of the secretary of agriculture as showing the immense sphere of usefulness which that department now canceled all games for the season. fills and the wonderful addition to the wealth of the nation made by the farmers of this country in the crops of the current year.

its duties under the department of commerce and labor. I recommend the transsuitable civilian bureau

Consolidation of Bureaus I request congrassianal authority

Unless also the court shall from the | enable the secretary of commerce and labor to unite the bureaus of manufactures and statistics.

> The "White Slave" Trade. I greatly regret to have to say that the investigations made in the bureau of immigration and other sources of information lead to the view that there is urgent necessity for additional legislation and greater executive activity to sup-

Bureau of Health.

press.

The opportunities offered for useful research and the spread of useful information in regard to the cultivation of the soil and the breeding of stock and the solution of many of the intricate problems in progressive agriculture have demonstrated the wisdom of establishing that department. Similar reasons, of equal force, can be given for the establishment of a bureau of health that shall not only exercise the police jurisdiction of the fedprevent the issuing of ill-advised orders eral government respecting quarantine, but which shall also afford an opportunity for investigation and research by competent experts into questions of health affecting the whole country, or important sections thereof, questions which, in the absence of federal governmental work, are not likely to be promptly solved.

> The Civil Service Commission. The work of the United States civil service commission has been performed to the general satisfaction of the executive officers with whom the commission has been brought into official communi-

> cation. Recommendations have been made by my predecessors that Congress appropriate a sufficient sum to pay the balanceabout 38 per cent-of the amounts due depositors in the Freedman's Savings and Trust Company. I renew this recommendation.

> Emancipation Semi-Centennial. The year 1913 will mark the fiftieth anniversary of the Issuance of the Emancipation Proclamation granting freedom to the negroes. It seems fitting that this event should be properly celebrated. Already a movement has been started by prominent negroes, encouraged by prom-

inent white people and the press.

In Conclusion. I have thus, in a message compressed as much as the subjects will permit, referred to many of the legislative needs of the country, with the exceptions already noted. Speaking generally, the country is in a high state of prosperity. There is every reason to believe that we expansion, and we have just gamered a harvest unexampled in the market value of our agricultural products. The high prices which such products bring mean great prosperity for the farming community, but on the other hand they mean a very considerably increased burden upon those classes in the community whose yearly compensation does not expand with the improvement in business and the general prosperity. Various reasons are given for the high prices The proportionate increase in the output of gold. which to-day is the chief medium of change and is in some respects a mea of value, furnishes a substantial explanation of at least part of the increase in prices. The increase in population and the more expensive mode of living of the people, which have not been accompanied by a proportionate increase in acreage production, may furnish a further reason. It is well to note that the increase in the cost of living is not confined to this country, but prevails the world over, and that those who would charge increases in prices to the existing protective tariff must meet the fact that the rise in prices has taken place almost wholly in those products of the factory and farm in respect to which there has been either no increase in the tariff or in many instances a very considerable reduction WM. H. TAFT.

Matt Henson on the Rack. Matthew Henson, the colored comcanion of Commander Peary on his trip to the north pole, began his career as a lecturer before a large audience in the New York Hippodrome, speak. photographs which he took on the way. But the interesting part of the show was the quiz at the end. Plenty Cook adherents were there to ask questions. These brought out the statement from Henson that the Peary party had suspected that Cook would claim the discovery of the pole, even before they started on their trip northward. Henson said he could have taken observations while with Peary at the pole, but that he was not asked to do so by Peary, and hence did not

World Shipping Federation.

Word comes from London that a gigantic international combine of shipowners was formed there last week. Delegates from the shipowning federations of England, Germany, Holland, Belgium, Denmark and Sweden, repremend to Congress the consideration and senting more than 16,000,000 tons of passage of a ship subsidy bill, looking to shipping, had registered in accordance with the British law. It is intended of South America, as well as lines from ultimately to embrace all federations the west coast of the United States to of shipping interests in the world. France and Norway already have signified their willingness to join. The objects are said to be purely defensive tion in its national platform declared in against the "unreasonable attacks which may be made by trade unions and others upon the shipowners' freedom of contract in the employment of labor." Headquarters will be in Lon-

Test Cases in Spokane.

The contest for the right of free speech and peaceable assembly which the test-case stage during the week. Two of the 275 men arrested were with disorderly conduct. The local W. W. men, and these cases will be carried to the higher courts if necesreleased by the police justice on their

Another Football Victim.

Archer Christian, son of a Richmond banker, was injured fatally while playing as half back on the University of Virginia team in its match with Georgetown University at Washington Owing to this fatality Georgetown has

Not to Be Taken Seriously.

We are told that Mrs. Pankhurse The lighthouse board now discharges says that American women are not serious enough. Probably she has fer of control over the lighthouses to a heard some of them say they haven't a thing to wear.-Cleveland Plats