Annual Message of President Roosevelt

Important Points Covered in the State Document Just Presented to Congress

THE people of the country continue to enjoy great prosperity. Undoubtedly there will be ebb and flow of such prosperity, and this ebb and flow will be felt more or less by all members of the community, both by the deserving and the undeserving. Against the wrath of the Lord the wisdom of man cannot avail; in times of flood or drouth human ingenuity can but partially repair the disaster. A general failure of crops would hurt all of us. Again, if the folly of man mars the general well-being, then those who are innocent of the folly will have to pay part of the penalty incurred by those who are guilty of the folly. A panic brought on by the speculative folly of a part of the business community would hurt the whole business community. But such stoppage of welfare, though it might be severe, would not be lasting. In the long run the one vital factor in the permanent prosperity of the country is the high individual character of the average American worker, the average American citizen, no matter whether his work be mental or manual, whether he be farmer or wage-worker, business man or professional man.

"In our industrial and social system the interests of all men are so closely intertwined that in the immense majority of cases a straight dealing man who by his efficiency, by his ingenuity and industry, benefits himself he must also benefit others. Normally the man of great productive capacity who becomes rich by guiding the labor of many other men does so by enabling them to produce more than they could produce without his guidance; and both he and they share in the benefit, which comes also to the public at large. The superficial fact that the sharing may be unequal must never blind us to the underlying fact that there is this sharing, and that the benefit comes in some degree to each man concerned. Normally the wage-worker, the man of small means, and the average consumer, as well as the average producer, are all alike helped by making conditions such that the man of exceptional business ability receives an exceptional reward for his ability. Something can be done by legislation to help the general prosperity; but no such help of a permanently beneficial character can be given to the less able and less fortunate, save as the results of a policy which shall inure to the advantage of all industrious and efficient people who act decently; and this is only another way of saying that any benefit which comes to the less able and less fortunate must of necessity come even more to the more able and more fortunate. If, therefore, the less fortunate man is moved by envy of his more fortunate brother to strike at the conditions under which they have both, though unequally, prospered, the result will assuredly be that while damage may come to the one struck at, it will visit with an even heavier load the one who strikes the blow. Taken as a whole, we must all go up or go down together.

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.

"So long as the finances of the nation are kept upon an honest basis no other question of internal economy with which the congress has the power to deal begins to approach in importance the matter of endeavoring to secure proper industrial conditions under which the individuals—and especially the great corporations—doing an interstate business are to act. The makers of our national constitution provided especially that the regulation of interstate commerce should come within the sphere of the general government. The arguments in favor of their taking this stand were even then overwhelming. But they are far stronger today, in view of the enormous development of great business agencies, usually corporate in form. Experience has shown conclusively that it is useless to try to get any adequate regulation and supervision of these great corporations by state action. Such regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is coextensive with the field of work of the corporations—that is, by the national government. I believe that this regulation and supervision can be obtained by the enactment of law by the congress. If this proves impossible, it will certainly be necessary ultimately to confer in fullest form such power upon the national government by a proper amendment of the constitution. It would obviously be unwise to endeavor to secure such an amendment until it is certain that the result cannot be obtained under the constitution as it now is. The laws of the congress and of the several states hitherto, as passed upon by the courts, have resulted more often in showing that the states have no power in the matter than that the national government has power; so that there at present exists a very unfortunate condition of things, under which these great corporations doing an interstate business occupy the position of subjects without a sovereign, neither any state government nor the national government having effective control over them. Our steady aim should be by legislation, cautiously and carefully undertaken, but resolutely persevered in, to assert the sovereignty of the national government by affirmative action.

"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 capital actually invested, and it creates a burden of interest payments which is a fertile cause of improper reduction in or 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 is 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.

Railroad Rate Regulation.

"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 improperly 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 December 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.

"Illegal transactions often occur under the forms of law. It has often occurred that a shipper has been told by a traffic officer to buy a large quantity of some commodity and then after it has been bought an open reduction is made in the rate to take effect immediately, the arrangement resulting to the profit of the one shipper and the one railroad and to the damage of all their competitors; for it must not be forgotten that the big shippers are at least as much to blame as any railroad in the matter of rebates. The law should make it clear so that nobody can fail to understand that any kind of commission paid on freight shipments, whether in this form or in the form of fictitious damages, or of a concession, a free pass, reduced passenger rate, or payment of brokerage, is illegal. It is worth while considering whether it would not be wise to confer on the government the right of civil action against the beneficiary of a rebate for at least twice the value of the rebate; this would help stop what is really blackmail. Elevator allowances should be stopped, for they have now grown to such an extent that they are demoralizing and are used as rebates.

"The best possible regulation of rates would, of course, be that regulation secured by an honest agreement among the railroads themselves to carry out the law. Such a general agreement would, for instance, at once put a stop to the efforts of any one big shipper or big railroad to discriminate against or secure advantages over some rival; and such agreement would make the railroads themselves agents for enforcing the law. The power vested in the government to put a stop to agreements to the detriment of the public should, in my judgment, be accompanied by power to permit, under specific conditions and careful supervision, agreements clearly in the interest of the public. But, in my judgment, the necessity for giving this further power is by no means as great as the necessity for giving the commission or administrative body the other powers I have enumerated above; and it may well be inadvisable to attempt to vest this particular power in the commission or other administrative body until it already possesses and is exercising what I regard as by far the most important of all the powers I recommend—as indeed the vitally important power—that to fix a given maximum rate, which rate, after the lapse of a reasonable time, goes into full effect, subject to review by the courts.

"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 for 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 is just as pernicious as a rebate in any other way. No lower rate should apply on goods imported than actually obtains on 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 of providing 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 efficacy has been to a great degree destroyed by the weapons of delay, almost the most formidable weapon in the hands of those whose purpose it is to violate the law."

Safety Appliances.

The president again calls attention to the necessity for laws requiring the use of block signals upon railroads engaged in interstate commerce and asks for an improvement of the government inspection service to enforce the same.

Labor Problems.

Legislation is recommended limiting the hours of continuous labor of railroad employes engaged in the movement and operation of trains to safeguard travel. A former recommendation is repeated for the enactment of an employers' liability law for the District of Columbia and in our navy yards. He recommends that all the formidable group of problems connected more or less directly with what is known as the labor question, which for the most part must be dealt with by the state and municipal authority, be taken up for the District of Columbia so as to make the city of Washington a model city as regards parks, public playgrounds, houses of workingmen, education, truancy, charities and factory laws. He opposes depriving the courts of the power to issue injunctions in labor disputes as unwise, but looks more favorably upon regulating injunction procedure by requiring the judge to give due notice to adverse parties before granting the writ. He renews a former recommendation for an investigation by the Department of Commerce and Labor of general labor conditions and also for an investigation of the conditions of women in industry with particular reference to the disturbance worked in domestic and social life of the nation.

Capital and Labor.

"The question of securing a healthy, self-respecting and mutually sympathetic attitude as between employer and employe, capitalist and wageworker, 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 put as of paramount importance 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 wageworker, corporation and union are alike entitled to the protection of the law, and must alike obey the law.

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. It has been only too clearly shown that certain of the men at the head of these large corporations take but small note of the ethical distinction between honesty and dishonesty; they draw the line only this side of what may be called law honesty, the kind of honesty necessary in order to avoid falling into the clutches of the law. Of course the only complete remedy for this condition must be found in an aroused public conscience, a higher sense of ethical conduct in the community at large, and especially among business men and in the great profession of the law, and in the growth of a spirit which condemns all dishonesty, whether in rich or in poor man, whether it takes the shape of a bribery or of blackmail. But much can be done by legislation which is not only drastic, but practical. There is need of a far stricter and more uniform regulation of the vast insurance interests of this country. The United States should in this respect follow the policy of other nations by providing adequate national supervision of commercial interests which are clearly national in character. My predecessors have repeatedly recognized that the foreign business of these companies is an important part of our foreign commercial relations. During the administrations of Presidents Cleveland, Harrison and McKinley the State Department exercised its influence, through diplomatic channels, to prevent unjust discrimination by foreign countries against American insurance companies. These negotiations illustrated the propriety of the congress recognizing the national character of insurance, for in the absense of federal legislation the State department could only give expression to the wishes of the authorities of the several states, whose policy was ineffective through want of uniformity.

"I repeat my previous recommendation that the congress should also consider whether the federal government has any power or owes any duty with respect to domestic transactions in insurance of an interstate character. That state supervision has proved inadequate is generally conceded. The burden upon insurance companies, and therefore the policy holders, of conflicting regulations of many states, is unquestioned, while but little effective check is imposed upon any able and unscrupulous man who desires to exploit the company in his own interest at the expense of the policy holders and of the public. The inability of a state to regulate effectively insurance corporations created under the laws of other states and transacting the larger part of their business elsewhere is also clear. As a remedy for this evil of conflicting, ineffective and yet burdensome regulations there has been for many years a widespread demand for federal supervision. The congress has already recognized that interstate insurance may be a proper subject for federal legislation, for in creating the Bureau of Corporations it authorized it to publish and supply useful information concerning interstate corporations, 'including corporations engaged in insurance.' It is obvious that if the compilation of statistics be the limit of the federal power it is wholly ineffective to regulate this form of commercial intercourse between the states, and as the insurance business has outgrown in magnitude the possibility of adequate state supervision, the congress should carefully consider whether further legislation can be had. What is said above applies with equal force to fraternal and benevolent organizations which contract for life insurance.

The Revenues.

"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 or 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."

Economy in Expenditures.

The president goes on to ask rigid scrutiny of appropriations, endorses the recommendation of the land commissioner for the abolishment of the office of receiver of public moneys in land offices, promising a saving of $1,000,000 a year, and declares that a large saving can also be made in the public printing, yet objects to false economy, citing as an example any act to cut down the navy.

Currency.

In a brief paragraph a plea is made for greater elasticity in our monetary system. "At present," he says, "the Treasury department is at irregular recurrent intervals obliged in the interest world to try to avert financial crises by providing a remedy which should be provided by congressional action."

Business Methods in Departments.

The investigations instituted in the conduct of affairs of the executive departments are cited and the difficulties met with adverted to. The president continues: "I recommend that congress consider this subject with a view to provide by legislation for the transfer, distribution, consolidation and assignment of duties and executive organizations, or parts of organizations, and for the changes in business methods within or between the several departments that will best promote the economy, efficiency and high character of the government work."

Federal Elections.

The president renews the recommendation for the enactment of a law directed against bribery and corruption in federal elections. His reference to recent disclosures of questionable campaign contributions reads:

"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 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 connection with any legislation save by the employment of counsel in public manner for distinctly legal services.

The Hague Conference.

"The first conference of nations held at The Hague in 1899, being unable to dispose of all the business before it, recommended the consideration and settlement of a number of important questions by another conference to be called subsequently and at an early date. These questions were the following: 1. The rights and duties of neutrals. 2. The limitation of the armed forces on land and sea and of military budgets. 3. The use of new types and calibres of military and naval guns. 4. The inviolability of private property at sea in times of war. 5. The bombardment of ports, cities and villages by naval forces.

"In October, 1904, at the instance of the Interparliamentary union, which, at a conference held in the United States and attended by the lawmakers of fifteen different nations, had reiterated the demand for a second conference of nations, I issued invitations to all the powers signatory to The Hague convention to send delegates to such a conference, and suggested that it be again held at The Hague. In its note of December 16, 1904, the United States government communicated to the representatives of foreign governments its belief that the conference could be best arranged under the provisions of the present Hague treaty.

"From all the powers acceptance was received, coupled in some cases with the condition that we should wait until the end of the war then waging between Russia and Japan. The emperor of Russia, immediately after the treaty of peace which so happily terminated this war, in a note presented to the president on September 13, through Ambassador Rosen, took the initiative in recommending that the conference be now called.

"This renders it proper at this time to say something as to the general attitude of this government toward peace. More and more war is coming to be looked upon as in itself a lamentable and evil thing. A wanton or useless war, or a war of mere aggression—in short, any war begun or carried on in a conscienceless spirit, is to be condemned as a peculiarly atrocious crime against all humanity. We can, however, do nothing of permanent value for peace unless we keep ever clearly in mind the ethical element which lies at thet root of the problem. Our aim is righteousness. Peace is normally the handmaiden of righteousness; but when peace and righteousness conflict, then a great and upright people can never for a moment hesitate to follow the path which leads toward righteousness, even though that path also leads to war. There are persons who advocate peace at any price; there are others who, following a false analogy, think that because it is no longer necessary in civilized countries for individuals to protect their rights with a strong hand, it is therefore unnecessary for nations to be ready to defend their rights. These persons would do irreparable harm to any nation that adopted their principles, and even as it is they seriously hamper the cause which they advocate by tending to render it absurd in the eyes of sensible and patriotic men. There can be no worse foe of mankind in general, and of his own country in particular, than the demagogue of war, the man who in mere folly or to serve his own selfish ends continually rails at and abuses other nations, who seeks to excite his countrymen against foreigners on insufficient pretexts, who excites and inflames a perverse and aggressive national vanity and who may on occasions wantonly bring on conflict between his nation and some other nation. But there are demagogues of peace just as there are demagogues of war, and in any such movement as this for The Hague conference it is essential not to be misled by one set of extremists any more than by the other. Whenever it is possible for a nation or an individual to work for real peace, assuredly it is failure of duty not so to strive; but if war is necessary and righteous then either the man or the nation shrinking from it forfeits all title to self-respect."

Monroe Doctrine.

The president declares the Monroe doctrine one of the most effective instruments for peace. It is essential to its maintenance that we make it evident that "we do not intend to treat it in any shape as an excuse for aggrandizement on our part at the expense of the republics to the south." We must also make it evident that "we do not intend to permit the Monroe doctrine to be used by any nation on this continent as a shield to protect it from the consequences of its own misdeeds against foreign nations;" and also, we must ourselves "in good faith try to help upward towards peace and order those of our sister republics which need such help."

Santo Domingo.

Referring to the appeal of Santo Domingo for our help, he declares: "It is not of the slightest consequence whether we grant the aid needed by Santo Domingo as an incident to the wise development of the Monroe doctrine or because we regard the case as standing wholly by itself. The important point is to give the needed aid." He cites the negotiation of the treaty with the Dominion government to help straighten out their finances pending ratification of which by the senate a temporary arrangement has been made by which the Dominican government has appointed Americans to all the important positions in the customs service to see to the honest collection of the revenues, turning over 45 per cent to the government and putting the other 55 per cent into a safe depository for equitable division among the creditors.

Army and Navy.

"We cannot consider the question of our foreign policy without at the same time treating of the army and navy. We now have a very small army—indeed, one well-nigh infinitesimal when compared with the army of any other large nation. Of course the army we do have should be as nearly perfect of its kind and for its size as is possible. I do not believe that any army in the world has a better average of enlisted man or a better type of junior officer; but the army should be trained to act effectively in a mass. Provision should be made by sufficient appropriations for maneuvers of a practical kind so that the troops may learn how to take care of themselves under actual service conditions; every march, for instance, being made with the soldier loaded exactly as he would be in an active campaign. The generals and colonels would thereby have opportunity of handling regiments, brigades and divisions, and the commissary and medical departments would be tested in the field. Provision should be made for the exercise at least of a brigade and by preference of a division in marching and embarking at some point on our coast and disembarking at some other point and continuing its march. The number of posts in which the army is kept in time of peace should be materially diminished and the posts that are left made correspondingly larger. No local interests should be allowed to stand in the way of assembling the greater part of the troops which would at need form our field armies in stations of such size as will permit the best training to be given to the personnel of all grade, including the high officers and staff officers. To accomplish this end we must have not company or regimental garrisons, but brigade and division garrisons. Promotion by mere seniority can never result in a thoroughly efficient corps of officers in the higher ranks unless there accompanies it a vigorous weeding-out process.

"Our navy must, relatively to the navies of other nations, always be of greater size than our army. We have most wisely continued for a number of years to build up our navy, and it has now reached a fairly high standard of efficiency. This standard of efficiency must not only be maintained, but increased. It does not seem to me necessary, however, that the navy should—at least in the immediate future—be increased beyond the present number of units. What is now clearly necessary is to substitute efficient for inefficient units as the latter become wornout or as it becomes apparent they are useless.

Naturalization Laws.

"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 naturalization laws, and to suggest appropriate measures to avoid the notorious abuses resulting from the improvident or unlawful granting of citizenship. This commission has submitted a report for which I hope for 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.

Attention of congress is asked to the urgent need of action to make our criminal law force effective. "Centuries ago," he declares, "it was especially needful to throw every safeguard around the accused. The danger then was lest he should be wronged by the state. The danger now is exactly the reverse. The criminal practices of any court of the United States should run throughout the entire territorial extent of our country. The delays of the criminal law, no less than of the civil, now amount to a very great evil."

Breaches of Trust in Public Service.

Adverting to recent examples of betrayed trust by government officials and employes the president says:

"There seems to be no statute of the United States which provides for the punishment of a United States attorney or other officer of the government who corruptly agrees to wrongfully do or wrongfully refrain from doing any act when the consideration for such corrupt agreement is other than one possessing money value. This ought to be remedied by appropriate legislation. Legislation should also be enacted to cover, explicitly, unequivocally and beyond question, breach of trust in the shape of prematurely divulging official secrets by an officer or employe of the United States, and to provide a suitable penalty therefor. Such officer or employe owes the duty to the United States to guard carefully and not to divulge or in any manner use, prematurely, information which is accessible to the officer or employe by reason of his official position. Most breaches of public trust are already covered by the law, and this one should be. It is impossible, no matter how much care is used, to prevent the occasional appointment to the public service of a man who when tempted proves unfaithful; but every means should be provided to detect and every effort made to punish the wrongdoer. So far as in my power lies each and every such wrongdoer shall be relentlessly hunted down; in no instance in the past has he been spared, in no instance of the future shall he be spared. His crime is a crime against every honest man in the nation, for it is a crime against the whole body politic. Yet in dwelling on such mideeds, it is unjust not to add that they are altogether exceptional, and that on the whole the employes of the government render upright and faithful service to the people. There are exceptions, notably in one or two branches of the service; but at no time in the nation's history has the public service of the nation, taken as a whole, stood on a higher plane than now, alike as regards honesty and as regards efficiency.

Public Land Laws.

"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 are wise and should be given effect.

"The creation of small irrigated farms under the reclamation act is a powerful offset to the tendency of certain other laws to foster or permit monopoly of the land. Under that act the construction of great irrigation works has been proceeding rapidly and successfully, the lands reclaimed are eagerly taken up, and the prospect that the policy of national irrigation will accomplish all that was expected of it is bright. The act should be extended to include the state of Texas.

"The Reclamation Act derives much of its value from the fact that it tends to secure greatest possible number of homes on the lands, and to create communities of freeholders, in part by settlement on public land, in part by forcing the subdivision of large private holdings before they can get water from government irrigation works. The law requires that no right to the use of water for land in private ownership shall be sold for a tract exceedingly 160 acres to any one land owner. This provision has excited active and powerful hostility, but the success of the law itself depends on the wise and firm enforcement of it. We can not afford to substitute tenants for freeholders on the public domain.

"The greater part of the remaining public lands can not be irrigated. They are at present and will probably always be of greater value for grazing than for any other purpose. This fact has led to the grazing homestead of 640 acres in Nebraska and to the proposed extension of it to other states. It is argued that a family can not be supported on 160 acres of aride grazing land. This is obviously true; but neither can a family be supported on 640 acres of much of the land to which it is proposed to apply the grazing homestead. To establish universally any such arbitrary limit would be unwise at the present time. It would probably result on the one hand in enlarging the holdings of some of the great land owners, and on the other in needless suffering and failure on the part of a very considerable proportion of the bona fide settlers who give faith to the implied assurance of the government that such an area is sufficient. The best use of the public grazing lands requires the careful examination and classification of these lands in order to give each settler land enough to support his family and no more. While this work is being done, and until the lands are settled, the government should take control of the open range, under reasonable regulations suited to local needs, following the general policy already in successful operation on the forest reserves. It is probable that the present grazing value of the open public range is scarcely more than half what it once was or what it might easily be again under careful regulation."

The message proceeds to urge continuance of forest reserve work, further assistance from the national government toward the construction and maintenance of lower Mississippi levees; asks earnest consideration of the report of the Merchant Marine commission; commends the claims of the tercentennial celebration of the settlement of Jamestown to congressional consideration; calls attention to the excellent work of the pension bureau; recommends national care for the graves of the confederate dead, beginning with the graves of those who died in northern prisons.

Immigration.

The message goes at considerable detail into the statistics of immigration, repeating what was said in the last message, that "we cannot have too much immigration of the right sort and we should have none whatever of the wrong sort." Continuing to discuss the problem as follows:

"In dealing with this question it is unwise to depart from the old American tradition and to discriminate for or against any man who desires to come here and become a citizen, save on the ground of that man's fitness for citizenship. It is our right and duty to consider his moral and social quality. His standard of living should be such that he will not, by pressure of competition, lower the standard of living of our own wage-workers; for it must ever be a prime object of our legislation to keep high their standard of living. If the man who seeks to come here is from the moral and social standpoint of such a character as to bid fair to add value to the community he should be heartily welcomed. We cannot afford to pay heed to whether he is of one creed or another, of one nation or another. We cannot afford to consider whether he is Catholic or Protestant, Jew or Gentile; whether he is Englishman or Irishman, Frenchman or German, Japanese, Italian, Scandinavian, Slav or Magyar. What we should desire to find out is the individual quality of the individual man. In my judgment, with this end in view, we shall have to prepare through our own agents a far more rigid inspection in the countries from which the immigrants come. It will be a great deal better to have fewer immigrants, but all of the right kind, than a great number of immigrants, many of whom are necessarily of the wrong kind."

The question of Chinese immigration, we are told, stands by itself. The president takes the position that we should maintain our prohibition upon immigration of Chinese coolies, but liberalize our treatment of Chinese students, business and professional men of all kinds, encouraging them to come here on precisely the same footing as similar people of other nations. "As a people we have talked much of the open door in China and we expect, and quite rightly intend to insist upon, justice being shown us by the Chinese, but we cannot expect equity unless we do equity. We cannot ask the Chinese to do to us what we are unwilling to do to them. Much trouble has come during the past summer from the organized boycott against American goods started in China. The main factor in producing this factor has been the resentment offered by the students and business people of China, by all the Chinese leaders against the harshness of our law toward educated Chinamen."

The Civil Service.

"The civil service law has been on the statute books for twenty-two years. Every president and a vast majority of heads of departments who have been in office during that period have favored a gradual extension of the merit system. The more thoroughly its principles have been understood, the greater has been the favor with which the law has been regarded by administrative officers. Any attempt to carry on the great executive departments of the government without this law would inevitably result in chaos. The Civil Service commissioners are doing excellent work; and their compensation is inadequate considering the service."

Copyright Laws.

The president urges revision of our copyright laws. He says they are so defective that to perfect them by further amendment seems impracticable and that thorough and complete revision is essential to meet modern conditions. A law has been drafted by the copyright office for presentation to congress for which prompt consideration is asked.

Adulteration of Foods.

A law is recommended to regulate interstate commerce in misbranded and adulterated foods, drinks and drugs. Action is also recommended to preserve the public building at Washington from defacement by the smoke nuisance.

National Parks.

The state of California is commended for offering to the United States government the Yosemite valley and the Mariposa big tree grove, and acceptance of the gift is asked. The wish is also expressed that the United States may in some way secure possession in conjunction with the Canadian government of Niagara Falls and its surroundings. In this connection a plea is made for the preservation of the remaining herds of American buffalo. Congress is also asked to provide pensions for members of the life-saving service on the same plan as prevails in fire and police departments in our larger cities.

Indians.

"During the year just past the phase of the Indian question which has been most sharply brought to public attention is the larger legal significance of the Indian's induction into citizenship. This has made itself manifest not only in a great access of litigation in which the citizen Indian figures as a party defendant and in a more widespread disposition to levy local taxation upon his personality, but in a decision of the United States supreme court which struck away the main prop on which has hitherto rested the government's benevolent effort to protect him against the evils of intemperance. The court holds, in effect, that when an Indian becomes, by virtue of an allotment of land to him, a citizen of the state in which his land is situated, he passes from under federal control in such matters as this, and the acts of the congress prohibiting the sale or gift to him of intoxicants become substantially inoperative. It is gratifying to note that the states and municipalities of the west which have most at stake in the welfare of the Indians are taking up this subject and are trying to supply, in a measure at least, the abdication of its trusteeship forced upon the federal government. Nevertheless, I would urgently press upon the attention of the congress the question whether some amendment of the internal revenue laws might not be of aid in prosecuting those malefactors, known in the Indian country as 'bootleggers,' who are engaged at once in defrauding the United States treasury of taxes and, what is far more important, in debauching the Indians by carrying liquors illicitly into territory still completely under federal jurisdiction.

"Among the crying present needs of the Indians are more day schools situated in the midst of their settlements, more effective instruction in the industries pursued on their own farms, and a more liberal extension of the field matron service, which means the education of the Indian women in the arts of home making. Until the mothers are well started in the right direction we can not reasonably expect much from the children, who are soon to form an integral part of our American citizenship. Moreover, the excuse continually advanced by male adult Indians for refusing offers of renumerative employment at a distance from their homes is that they dare not leave their families too long out of sight. One effectual remedy for this state of things is to employ the minds and strengthen the moral fiber of the Indian women—the end to which the work of the field matron is especially directed. I trust that the congress will make its appropriations for Indian day schools and field matrons as generous as may consist with pressing demands upon its providence."

The Philippines.

Conditions in the Philippines are reviewed at some length with reference to the misfortunes piled upon the Philippines by the succession of war, the rinder pest, the locusts, the drouth and the cholera, calling for generous treatment at the hands of our government in order to restore complete prosperity. "The most encouraging feature of the whole situation," declares the president, "has been the very great interest taken by the common people in education and the great increase in the number of enrolled students in the public schools. This increase was from 300,000 to 500,000 pupils." He says further, that, "the agricultural conditions of the islands enforce more strongly than ever the argument in favor of reducing the tariff on the products of the Philippine islands entering the United States. I earnestly recommend that the tariff now imposed by the Dingley bill upon Philippine products be entirely removed except on sugar and tobacco, and that the tariff be reduced to 25 per cent of the present rates. That after July 1, 1909, the tariff on tobacco and sugar be entirely removed and free trade between the islands and the United States in the products of our country then be provided for by law."

Hawaii and Porto Rico.

The president expresses the opinion that immediate steps should be taken to fortify Hawaii. He also declares that Hawaii is too heavily taxed, and while there are great obstacles in the way of building up a representative community in Hawaii, many an American commonwealth has been built up against odds equal to those. He advocates American citizenship for the people of Porto Rico and various improvements in Porto Rico to be undertaken at the expense of our government.

This is followed with a special plea for more liberal treatment of the question of franchises in our island possessions. "In the proper desire to prevent the islands being exploited by speculators, an error has been made in refusing to grant sufficiently liberal terms to induce the investment of American capital in the Philippines and in Porto Rico."

For Alaska the request is made that it be given an elective delegate and government assistance in the construction of a railroad to the Yukon river.

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 last few years that the question as to the statehood to be granted to the four territories above mention, 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 president recites the recent history of the Panama canal project and declares that 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." He continues: "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 congress at an early day the findings of the advisory board of engineers and such comments thereon or recommendations in reference thereto as may seem necessary." He refers to the work of sanitating the isthmus and concludes on this subject: "What is needed now, and without delay, is an appropriation by congress to meet the current and accruing expenses of the commission. The first appropriation of $10,000,000, made three years ago, is nearly exhausted. Unless congress appropriates before the end of the year all work must cease. To arrest progress for any length of time now, when matters are advancing so satisfactorily, would be deplorable."

The Department of State.

"I recommend more adequate provision than has been made heretofore for the work of the Department of State. Within a few years there has been a very great increase in the amount and importance of the work to be done by that department, both in Washington and abroad. This has been caused by the great increase of our foreign trade, the increase of wealth among our people, which enables them to travel more generally than heretofore; the increase of American capital which is seeking investment in foreign countries, and the growth of our power and weight in the council of the civilized world. There has been no corresponding increase of facilities for doing the work afforded to the department having charge of our foreign relations.

"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. THEODORE ROOSEVELT.

The White House, December 5, 1905.