President's Message

To the Senate and House of Representatives:

The people of this country continue to enjoy great prosperity. Undoubtedly there will be ebb and flow in such prosperity, and this ebb and flow will be felt more or less by all members of the community. 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 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, 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 interwoven that in the immense majority of cases the straight-dealing man who by his efficiency, by his ingenuity and industry, benefits himself 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. 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.

Curb for Corporations.

It is 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 on 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 to-day, 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 co-extensive 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 full form such power upon the national government by a proper amendment of the constitution.

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.

The first thing to do is to deal with the great corporations engaged in the business of interstate transportation. 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. A heavy penalty should be exacted from any corporation which fails to respect an order of the commission.

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 specified conditions and careful supervision, agreements clearly in the interest of the public. All private-car lines, industrial roads, refrigerator charges, and the like should be expressly put under the supervision of the interstate commerce commission or some similar body so far as rates, and agreements practically affecting rates, are concerned. The private-car owners and the owners of industrial railroads are entitled to a fair and reasonable compensation on their investment, but neither private cars nor industrial railroads nor spur tracks should be utilized as devices for securing preferential rates. A rebate in icing charges, or in mileage, or in a division of the rate for refrigerating charges is just as pernicious as a rebate in any other way.

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 bands 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. I urge upon the Congress the need of providing for expeditious action by the interstate commerce commission in all these matters.

The question of transportation lies at the root of all industrial success, and the revolution in transportation which has taken place during the last half century has been the most important factor in the growth of the new industrial conditions. Most emphatically we do not wish to see the man of great talents refused the reward for his talents. Still less do we wish to see him penalized; but we do desire to see the system of railroad transportation so handled that the strong man shall be given no advantage over the weak man. We wish to insure as fair treatment for the small town as for the big city; for the small shipper as for the big shipper. What we need to do is to develop an orderly system; and such a system can only come through the gradually increased exercise of the right of efficient government control.

The Congress should provide, by appropriate legislation, for the introduction of block signals upon all railroads engaged in interstate commerce at the earliest practicable date, as a measure of increased safety to the traveling public.

The excessive hours of labor to which railroad employes in train service are in many cases subjected is also a matter which may well engage the serious attention of the Congress.

Labor and Capital.

The national government has as a rule but little occasion to deal with the formidable group of problems connected more or less directly with what is known as the labor question, for in the great majority of cases these problems must be dealt with by the state and municipal authorities and not by the national government. The national government has control of the District of Columbia, however, and it should see to it that the city of Washington is made a model city in all respects.

There has been demand for depriving courts of the power to issue injunctions in labor disputes. Such special limitation of the equity powers of our courts would be most unwise. It is true that some judges have misused this power; but this does not justify a denial of the power any more than an improper exercise of the power to call a strike by a labor leader would justify the denial of the right to strike. The remedy is to regulate the procedure by requiring the judge to give due notice to the adverse parties before granting the writ, the hearing to be ex parte if the adverse party does not appear at the time and place ordered.

I renew the recommendation I made in my last annual message for an investigation by the department of commerce and labor of general labor conditions, especial attention to be paid to the conditions of child labor and child labor legislation in the several States. Such an investigation should take into account the various problems with which the question of child labor is connected.

In such a republic as ours the one thing that we cannot afford to neglect is the problem of turning out decent citizens. The future of the nation depends upon the citizenship of the generations to come; the children of to-day are those who to-morrow will shape the destiny of our land, and we cannot afford to neglect them.

The department of commerce and labor should also make a thorough investigation of the conditions of women in industry. Over 5,000,000 American women are now engaged in gainful occupations; yet there is an almost complete dearth of data upon which to base any trustworthy conclusions as regards a subject as important as it is vast and complicated. There is need of full knowledge on which to base action looking toward State and municipal legislation for the protection of working women. The introduction of women into industry is working change and disturbance in the domestic and social life of the nation. The decrease in marriage, and especially in the birth rate, has been coincident with it. We must face accomplished facts, and the adjustment to factory conditions must be made, but surely it can be made with less friction and less harmful effects on family life than is now the case.

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

The question of securing a healthy, self-respecting and mutually sympathetic attitude as between employer and employe, capitalist and wage worker, is a difficult one. 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 far-seeing men should join in warring against it wherever it becomes manifest. Individual capitalist and individual wage worker, corporation and union, are alike entitled to the protection of the law, and must alike obey the law. Moreover, in addition to mere obedience to the law, each man, if he be really a good citizen, must show broad sympathy for his neighbor and genuine desire to look at any question arising between them from the standpoint of that neighbor no less than from his own; and to this end it is essential that capitalist and wage worker should consult freely one with the other, should each strive to bring closer the day when both shall realize that they are properly partners and not enemies.

This government is not and never shall be government by a plutocracy. This government is not and never shall be government by a mob. It shall continue to be in the future what it has been in the past, a government based on the theory that each man, rich or poor, is to be treated simply and solely as the worth as a man, that all his personal and property rights are to be safeguarded, and that he is neither to wrong others nor to suffer wrong from others.

Need of Insurance Reform.

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 can not 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 man or in poor man, whether it takes the shape of robbery 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.

Revenues and Expenditures.

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. 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 or localities or classes. Unless our expenditures can be kept within the revenues then our revenue laws must be readjusted.

It should be considered whether it is not desirable that the tariff laws should provide for applying as against or in favor of any other nation maximum and minimum tariff rates established by the Congress, so as to secure a certain reciprocity of treatment between other nations and ourselves.

Our Currency System.

Every consideration of prudence demands the addition of the element of elasticity to our currency system. The evil does not consist in an inadequate volume of money, but in the ridigity of this volume, which does not respond as it should to the varying needs of communities and of seasons. Inflation must be avoided; but some provision should be made that will insure a larger volume of money during the fall and winter months than in the less active seasons of the year; so that the currency will contract against speculation, and will expand for the needs of legitimate business.

Purity of Federal Elections.

The power of the government to protect the integrity of the elections of its own officials is inherent and has been recognized and affirmed by repeated declarations of the Supreme Court. There is no enemy of free government more dangerous and none so insidious as the corruption of the electorate. I recommend the enactment of a law directed against bribery and corruption in federal elections. Such a law should include severe penalties against him who gives or receives a bribe intended to influence his act or opinion as an elector; and provisions for the publication not only of the expenditures for nominations and elections of all candidates, but also of all contributions received and expenditures made by political committees.

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. If it is possible to secure by law the full and verified publication in detail of all the sums contributed to and expended by the candidates or committees of any political parties the result cannot but be wholesome.

All contributions by corporations to any political committe 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.

The Coming 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. In October, 1904, at the instance of the Interparliamentary Union, 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. 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 Sept. 13, through Ambassador Rosen, took the initiative in recommending that the conference be now called. The United States government in response expressed its cordial acquiescence. We assume that all civilized governments will support the movement, and that the conference is now an assured fact.

This renders it proper at this time to say something as to the general attitude of this government toward peace. 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 the 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 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.

No object is better worthy the attention of enlightened statesmanship than the establishment of a surer method than now exists of securing justice as between nations, both for the protection of the little nations and for the prevention of war between the big nations. To this aim we should endeavor not only to avert bloodshed, but, above all, effectively to strengthen the forces of right. The golden rule should be, and as the world grows in morality it will be, the guiding rule of conduct among nations as among individuals; though the golden rule must not be construed, in fantastic manner, as forbidding the exercise of the police power. This mighty and free republic should ever deal with all other States, great or small, on a basis of high honor, respecting their rights as jealously as it safeguards its own.

Expounds the Monroe Doctrine.

One of the most effective instruments for peace is the Monroe doctrine as it has been and is being gradually developed by this nation and accepted by other nations. No other policy could have been as efficient in promoting peace in the western hemisphere and in giving to each nation thereon the chance to develop along its own lines. If we had refused to apply the doctrine to changing conditions it would now be completely outworn, would not meet any of the needs of the present day, and indeed would probably by this time have sunk into complete oblivion. It is useful at home, and is meeting with recognition abroad because we have adapted our application of it to meet the growing and changing needs of the hemisphere. That our rights and interests are deeply concerned in the maintenance of the doctrine is so clear as hardly to need argument. This is especially true in view of the construction of the Panama canal.

There are certain essential points which must never be forgotten as regards the Monroe doctrine. It must be understood that under no circumstances will the United States use the Monroe doctrine as a cloak for territorial aggression. We desire peace with all the world, but perhaps most of all with the other peoples of the American continent. Moreover, we must 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. If a republic to the south of us commits a tort against a foreign nation, such as an outrage against a citizen of that nation, then the Monroe doctrine does not force us to interfere to prevent punishment of the tort, save to see that the punishment does not assume the form of territorial occupation in any shape.

Urges Santo Domingo Action.

Santo Domingo, in her turn, has made an appeal to us to help her, and not only every principle of wisdom but every generous instinct within us bids us respond to the appeal. The conditions in Santo Domingo have for a number of years grown from bad to worse until a year ago the society was on the verge of dissolution. Fortunately, just at this time a ruler sprang up in Santo Domingo, who, with his colleagues, saw the dangers threatening their country and appealed to the friendship of the only great and powerful neighbor who possessed the power, and as they hoped also the will to help them. There was imminent danger of foreign intervention. The previous rulers of Santo Domingo had recklessly incurred debts, and owing to her internal disorders she had ceased to be able to provide means of paying the debts. The patience of her foreign creditors had become exhausted, and at least two foreign nations were on the point of intervention, and were only prevented from intervening by the unofficial assurance of this government that it would itself strive to help Santo Domingo in her hour of need. In the case of one of these nations, only the actual opening of negotiations to this end by our government prevented the seizure of territory in Santo Domingo by a European power. Of the debts incurred some were just, while some were not of a character which really renders it obligatory on, or proper for, Santo Domingo to pay them in full. But she could not pay any of them unless some stability was assured her government and people.

Accordingly the executive department of our government begotiated a treaty under which we are to try to help the Dominican people to straighten out their finances. This treaty is pending before the Senate. In the meantime a temporary arrangement has been made which will last until the Senate has had time to take action upon the treaty. Under this arrangement the Dominican government has appointed Americans to all the important positions in the customs service, and they are seeing to the honest collection of the revenues, turning over 45 per cent to the government for running expenses and putting the other 55 per cent into a safe depositary for equitable division, in case the treaty shall be ratified, among the various creditors, whether European or American.

This has completely discouraged all revolutionary movement, while it has already produced such an increase in the revenues that the government is actually getting more from the 45 per cent that the American collectors turn over to it than it got formerly when it took the entire revenue.

Under the course taken, stability and order and all the benefits of peace are at last coming to Santo Domingo, danger of foreign intervention has been suspended, and there is at last a prospect that all creditors will get justice, no more and no less. If the arrangement is terminated by the failure of the treaty chaos will follow; and if chaos follows, sooner or later this government may be involved in serious difficulties with foreign governments over the island, or else may be forced itself to intervene in the island in some unpleasant fashion.

Army and Navy Affairs.

We cannot consider the question of our foreign policy without at the same time treating of the army and the 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 men 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.

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 worn-out or as it becomes apparent that they are useless.

Recent naval history has emphasized certain lessons which ought not to, but which do, need emphasis. Seagoing torpedo boats or destroyers are indispensable, not only for making night attacks by surprise upon an enemy, but even in battle for finishing already crippled ships. Under exceptional circumstances submarine boats would doubtless be of use. Fast scouts are needed. The main strength of the navy, however, lies and can only lie in the great battleships, the heavily-armored, heavily-gunned vessels which decide the mastery of the seas. Heavy-armed cruisers also play a most useful part, and unarmed cruisers, if swift enough, are very useful as scouts.

Abuses in Naturalization.

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 discharged the duty imposed upon it, and has submitted a report, which will be transmitted to the Congress for its consideration, and, I hope, for its favorable action.

Breaches of Trust in Public Service.

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. Legislatin shuld 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.

Condition of 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 recommendation of the public lands commission upon this subject 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.

The greater part of the remaining public lands cannot 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 cannot be supported on 160 acres of arid 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.

Merchant Marine Indispensable.

To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reinforce our battle line.

Pensions for Civil War Soldiers.

It is a matter of unmixed satisfaction once more to call attention to the excellent work of the pension bureau; for the veterans of the Civil War have a greater claim upon us than any other class of our citizens. To them, first of all among our people, honor is due. Seven years ago my lamented predecessor, President McKinley, stated that the time had come for the nation to care for the graves of the Confederate dead. I recommend that the Congress take action toward this end.

The Immigration Question.

The question of immigration is of vital interest to this country. In the year ending June 30, 1905, there came to the United States 1,026,000 alien immigrants. It is clearly shown in the report of the commissioner general of immigration that while much of this enormous immigration is undoubtedly healthy and natural, a considerable proportion is undesirable from one reason or another; moreover, a considerable proportion of it, probably a very large proportion, including most of the undesirable class, does not come here of its own initiative, but because of the activity of the agents of the great transportation companies.

We cannot have too much immigration of the right sort, and we should have none whatever of the wrong sort. Of course it is desirable that even the right kind of immigration should be properly distributed in this country. We need more of such immigration for the South; and special effort should be made to secure it. In actual practice it has proved so difficult to enforce the immigration laws where long stretches of frontier marked by an imaginary line alone intervene between us and our neighbors that I recommend that no immigrants be allowed to come in from Canada and Mexico, save natives of the two countries themselves. As much as possible should be done to distribute the immigrants upon the land and keep them away from the congested tenement-house districts of the great cities. But distribution is a palliative, not a cure. The prime need is to keep out all immigrants who will not make good American citizens.

The laws now existing for the exclusion of undesirable immigrants should be strengthened. Adequate means should be adopted, and enforced by sufficient penalties, to compel steamship companies engaged in the passenger business to observe in good faith the law which forbids them to encourage or solicit immigration to the United States. Provision should be made for the surer punishment of those who induce aliens to come to this country under promise or assurance of employment. It should be made possible to inflict a sufficiently heavy penalty on any employer violating this law to deter him from taking the risk. It seems to me wise that there should be an international conference held to deal with this question of immigration, which has more than a merely national significance.

The questions arising in connection with Chinese immigration stand by themselves. The conditions in China are such that the entire Chinese coolie class, that is, the class of Chinese laborers, skilled and unskilled, legitimately come under the head of undesirable immigrants to this country, because of their numbers, the low wages for which they work, and their low standard of living. Not only is it to the interest of this country to keep them out, but the Chinese authorities do not desire that they should be admitted. At present their entrance is prohibited by laws amply adequate to accomplish this purpose. But in the effort to carry out the policy of excluding Chinese laborers, Chinese coolies, grave injustice and wrong have been done by this nation to the people of China, and therefore ultimately to this nation itself. Chinese students, business and professional men of all kinds—not only merchants, but bankers, doctors, manufacturers, professors, travelers and the like—should be encouraged to come here and treated on precisely the same footing that we treat students, business men, travelers and the like of other nations. Our laws and treaties should be framed, not so as to put these people in the excepted classes, but to state that we will admit all Chinese, except Chinese of the coolie class, Chinese skilled or unskilled laborers.

Much trouble has come during the past summer from the organized boycott against American goods which has been started in China. The main factor in producing this boycott has been the resentment felt by the students and business people of China, by all the Chinese leaders, against the harshness of our law toward educated Chinamen of the professional and business classes. This government has the friendliest feeling for China and desires China's well-being. We cordially sympathize with the announced purpose of Japan to stand for the integrity of China. Such an attitude tends to the peace of the world.

Adulteration of Foods.

I recommend that a law be enacted to regulate interstate commerce in misbranded and adulterated foods, drinks, and drugs. Such law would protect legitimate manufacture and commerce, and would tend to secure the health and welfare of the consuming public. Traffic in foodstuffs which have been debased or adulterated so as to injure health or to deceive purchasers should be forbidden.

National Parks and Show Places.

I call your attention to the generous act of the State of California in conferring upon the United States government the ownership of the Yosemite Valley and the Mariposa Big Tree grove. There should be no delay in accepting the gift, and appropriations should be made for the including thereof in the Yosemite National Park, and for the care and policing of the park. California has acted most wisely as well as with great magnanimity in the matter. There are certain mighty natural features of our land which should be preserved in perpetuity for our children and our children's children. In my judgment the Grand Canyon of the Colorado should be made into a national park. It is greatly to be wished that the State of New York should copy as regards Niagara what the State of California has done as regards the Yosemite. Nothing should be allowed to interfere with the preservation of Niagara Falls in all their beauty and majesty.

Pensions for Life-Savers.

I call your especially attention to the desirability of giving to the members of the lifesaving service pensions such as are given to firemen and policemen in all our great cities. It is unjust for a great nation like this to permit these men to become totally disabled or to meet death in the performance of their hazardous duty and yet to give them no sort of reward.

The Philippine Islands.

During the past year the Philippine islands have been slowly recovering from the series of disasters which, since American occupation, have greatly reduced the amount of agricultural products below what was produced in Spanish times. The war, the rinderpest, the locusts, the drought, and the cholera have been united as causes to prevent a return of the prosperity much needed in the islands. The income of the Philippine government has necessarily been reduced by reason of the business and agricultural depression in the islands, and the government has been obliged to exercise great economy, to cut down its expenses, to reduce salaries, and in every way to avoid a deficit. It has adopted an internal-revenue law imposing taxes on cigars, cigarettes, and distilled liquors, and abolishing the old Spanish industrial taxes. The come derived from it has partly made up for the reduction in customs revenue. There has been a marked increase in the number of Filipinos employed in the civil service, and a corresponding decrease in the number of Americans.

Improvements of harbors, roads, and bridges continue, although the cutting down of the revenue forbids the expenditure of any great amount from current income for these purposes. Disturbances have all now been suppressed, and it is hoped that with these lessons local governments can be formed which will secure quiet and peace to the deserving inhabitants. The incident is another proof of the fact that if there has been any error as regards giving self-government in the Philippines it has been in the direction of giving it too quickly, not too slowly.

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 the products of the Philippine Islands be entirely removed, except the tariff on sugar and tobacco, and that that tariff be reduced to 25 per cent of the present rates under the Dingley act; that after July 1, 1909, the tariff upon tobacco and sugar produced in the Philippine Islands be entirely removed, and that free trade between the islands and the United States in the products of each country then be provided for by law.

Problems of Hawaii.

In my judgment immediate steps should be taken for the fortification of Hawaii. This is the most important point in the Pacific to fortify in order to conserve the interests of this country. Hawaii is too heavily taxed. Laws should be enacted setting aside for a period of, say, twenty years, 75 per cent of the internal revenue and customs receipts from Hawaii as a special fund to be expended in the islands for educational and public buildings, and for harbor improvements and military and naval defenses. Hawaii has serious commercial and industrial problems to reckon with; but no measure of relief can be considered which looks to legislation admitting Chinese and restricting them by statute to field labor and domestic service. The status of servility can never again be tolerated on American soil.

Porto Rican Affairs.

I earnestly advocate the adoption of legislation which will explicitly confer American citizenship on all citizens of Porto Rico. The problems and needs of the island are industrial and commercial rather than political.

Insular Affairs in General.

I wish also to call the attention of the Congress to one question which affects our insular possessions generally; namely, the need of an increased liberality in the treatment of the whole franchise question in these islands. In the proper desire to prevent the islands being exploited by speculators and to have them develop in the interest of their own people 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. We have been paying all possible heed to the political and educational interests of the islands, but, important though these objects are, it is not less important that we should favor their industrial development.

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 justification for further delay; and the advisability of making the four territories into two States has been clearly established.

The Panama Canal.

The treaty between the United States and the Republic of Panama, under which the construction of the Panama canal was made possible, went into effect with its ratification by the United States Senate on Feb. 23, 1904. The canal properties of the French Canal Company were transferred to the United States on April 23, 1904, on payment of $40,000,000 to that company. Active work in canal construction, mainly preparatory, has been in progress for less than a year and a half. During that period two points about the canal have ceased to be open to debate. First, the question of route; the canal will be built on the Isthmus of Panama. Second, the question of feasibility; there are no physical obstacles on this route that American engineering skill will not be able to overcome without serious difficulty, or that will prevent the completion of the canal within a reasonable time and at a reasonable cost.

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

The American people are pledged to the speediest possible construction of a canal adequate to meet the demands which the commerce of the world will make upon it, and I appeal most earnestly to the Congress to aid in the fulfillment of the pledge. Gratifying progress has been made during the past year and especially during the past four months. The greater part of the necessary preliminary work has been done. Actual work of excavation could be begun only on a limited scale till the canal zone was made a healthful place to live in and to work in. The isthmus had to be sanitated first. This task has been so thoroughly accomplished that yellow fever has been virtually extirpated from the isthmus and general health conditions vastly improved.

In addition to sanitating the isthmus, satisfactory quarters are being provided for employes and an adequate system of supplying them with wholesome food at reasonable prices has been created. Hospitals have been established and equipped that are without superiors of their kind anywhere. During the past year a large portion of the plant with which the work is to be done has been ordered. It is confidently believed that by the middle of the approaching year a sufficient proportion of this plant will have been installed to enable us to resume the work of excavation on a large scale.

What is needed now and without delay is an appropriation by the Congress to meet the current and accruing expenses of the commission. The first appropriation of $10,000,000, out of the $135,000,000 authorized by the Spooner act, was made three years ago. It is nearly exhausted. There is barely enough of it remaining to carry the commission to the end of the year. Unless the Congress shall appropriate before that time all work must cease, and there will be demoralization of the forces, here and on the isthmus, now working so harmoniously and effectively, if there is delay in granting an emergency appropriation.

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. Neither at home nor abroad is there a sufficient working force to do the business properly. Our consular force should be classified, and appointments should be made to the several classes, with authority to the executive to assign the members of each class to duty at such posts as the interests of the service require, instead of the appointments being made as at present to specified posts. Sufficient provision should be made for a clerical force in every consulate, composed entirely of Americans, instead of the insufficient provision now made, which compels the employment of great numbers of citizens of foreign countries whose services can be obtained for less money.

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.

Theodore Roosevelt

CONGRESS

The Senate convened at noon Monday, and prayer was offered by Edward Everett Hale, the chaplain. Sixty-eight Senators responded to the roll call, and the oath was administered to the new members. Senators Allison and Morgan were appointed to wait upon the President, with a similar committee from the House. Resolutions in memory of the late Senator Platt of Connecticut were passed. The House convened at 12 o'clock, and Joseph G. Cannon of Illinois was re-elected Speaker, over John Sharp Williams of Mississippi. Officers of the House were sworn in and the oath administered to new members. The rules of the Fifty-eighth Congress were adopted, and seats were assigned by lot. Many important bills were introduced.

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The Senate gave practically all of its time Tuesday to listening to the reading of the President's message. The document received the