THE PRESIDENT'S ANNUAL MESSAGE

CAUSES OF THE PRESENT FINANCIAL CONDITIONS IS MADE THE CHIEF TOPIC.

SUGGESTS REMEDIES FOR ILLS

CONTROL OF CORPORATIONS AND RAILROADS TO PREVENT OVERCAPITALIZATION.

Believes This Would Solve the Problem Together with Provision for More Elastic Currency—Recommends Postal Banks and Asks for Legislation Along Many Lines.

Washington, Dec. 3. — President Roosevelt's annual message to congress is a voluminous document of nearly 20,000 words, by far the longest message he has ever submitted to congress. The opening subject of the message is the financial condition of the country, and for which the president lays much of the blame upon unscrupulous stock speculators and says:

"In any large body of men, however, there are certain to be some who are dishonest, and if the conditions are such that these men prosper or commit their misdeeds with impunity, their example is a very evil thing for the community. Where these men are business men of great sagacity and of temperament both unscrupulous and reckless and where the conditions are such that they act without supervision or control and at first without effective check from public opinion, they delude many innocent people into trusting investments or embarking in kinds of business that are really unsound. When the misdeeds of these successfully dishonest men are discovered, suffering comes not only upon them, but upon the innocent men whom they have misled. It is a painful awakening, whenever it occurs, and, naturally, when it does occur those who suffer are apt to forget that the longer it was deferred the more painful it would be. In the effort to punish the guilty it is both wise and proper to endeavor so far as possible to minimize the distress of those who have been misled by the guilty. Yet it is not possible to refrain because of such distress from striving to put an end to the misdeeds that are the ultimate causes of the suffering, and as a means to this end, where possible to punish those responsible for them. There may be honest differences of opinion as to many governmental policies; but surely there can be no such differences as to the need of unflinching perseverance in the war against successful dishonesty."

He quotes at length from his message of last year in which he advocated federal control of corporations doing interstate business, and believes that in such control would be found the remedy for overcapitalization and stock speculation which he believes have brought about the present financial conditions. He says:

"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.

"This is only in form an innovation. In substance it is merely a restoration, for from the earliest time such regulation of industrial activities has been recognized in the action of the law-making bodies; and all that I propose is to meet the changed conditions in such manner as will prevent the commonwealth abdicating the power it has always possessed, not only in this country, but also in England before and since this country became a separate nation.

Federal Control of Railroads Is Favored.

"No small part of the trouble that we have comes from carrying to an extreme the national virtue of self-reliance, of independence in initiative and action. It is wise to conserve this virtue and to provide for its fullest exercise, compatible with seeing that liberty does not become a liberty to wrong others. Unfortunately, this is the kind of liberty that the lack of all effective regulation inevitably breeds. The founders of the constitution provided that the national government should have complete and sole control of interstate commerce. There was then practically no interstate business save such as was conducted by water, and this the national government at once proceeded to regulate in thoroughgoing and effective fashion. Conditions have now so wholly changed that the interstate commerce by water is insignificant compared with the amount that goes by land, and almost all big business concerns are now engaged in interstate commerce. As a result, it can be but partially and imperfectly controlled or regulated by the action of any one of the several states, such action inevitably tending to be either too drastic or else too lax, and in either case ineffective for purposes of justice. Only the national government can in thoroughgoing fashion exercise the needed control. This does not mean that there should be any extension of federal authority, for such authority already exists under the constitution in amplest and most far-reaching form; but it does mean that there should be an extension of federal activity. This is not advocating centralization. It is merely looking facts in the face, and realizing that centralization in business has already come and can not be avoided or undone, and that the public at large can only protect itself from certain evil effects of this business centralization by providing better methods for the exercise of control through the authority already centralized in the national government by the constitution itself. There must be no halt in the healthy constructive course of action which this nation has elected to pursue, and has steadily pursued, during the last six years, as shown both in the legislation of the congress and the administration of the law by the department of justice. The most vital need is in connection with the railroads. As to these, in my judgment there should now be either a national incorporation act or a law requiring railway companies to engage in interstate commerce upon certain conditions. The law should be so framed as to give to the interstate commerce commission power to pass upon the future issue of securities, while ample means should be provided to enable the commission, whenever in its judgment it is necessary, to make a physical valuation of any railroad. As I stated in my message to the congress a year ago, railroads should be given power to enter into agreements, subject to these agreements being made public in minute detail and to the consent of the interstate commerce commission being first obtained. Until the national government assumes proper control of interstate commerce, in the exercise of the authority it already possesses, it will be impossible either to give to or to get from the railroads full justice. The railroads and all other great corporations will do well to recognize that this control must come; the only question is as to what governmental body can most wisely exercise it. The courts will determine the limits within which the federal authority can exercise it, and there will still remain ample work within each state for the railway commission of that state; and the national interstate commerce commission will work in harmony with the several state commissions, each within its own province, to achieve the desired end.

Control of Interstate Business Concerns Urged.

"Moreover, in my judgment there should be additional legislation looking to the proper control of the great business concerns engaged in interstate business, this control to be exercised for their own benefit and prosperity no less than for the protection of investors and of the general public. As I have repeatedly said in messages to congress and elsewhere, experience has definitely shown not merely the unwisdom but the futility of endeavoring to put a stop to all business combinations. Modern industrial conditions are such that combination is not only necessary but inevitable. It is so in the world of business just as it is so in the world of labor, and it is as idle to desire to put an end to all corporations, to all big combinations of capital, as to desire to put an end to combinations of labor. Corporation and labor union alike have come to stay. Each if properly managed is a source of good and not evil. Whenever in either there is evil, it should be promptly held to account, but it should receive hearty encouragement so long as it is properly managed. It is profoundly immoral to put or keep on the statute books a law, nominally in the interest of public morality, that really puts a premium upon public immorality, by undertaking to forbid honest men from doing what must be done under modern business conditions, so that the law itself provides that its own infraction must be the condition precedent upon business success. To aim at the accomplishment of too much usually means the accomplishment of too little, and often the doing of positive damage.

"The antitrust law should not be repealed; but it should be made both more efficient and more in harmony with actual conditions. It should be so amended as to forbid only the kind of combination which does harm to the general public, such amendment to be accompanied by, or to be an incident of, a grant of supervisory power to the government over these big corporations engaged in interstate business. This should be accompanied by provision for the compulsory publication of accounts and the subjection of books and papers to the inspection of the government officials. A beginning has already been made for such supervision by the establishment of the bureau of corporations.

"*The antitrust law should not prohibit* combinations that do no injustice to the public, still less those the existence of which is on the whole of benefit to the public. But even if this feature of the law were abolished, there would remain as an equally objectionable feature the difficulty and delay now incident to its enforcement. The government must now submit to irksome and repeated delays before obtaining a final decision of the courts upon proceedings instituted, and even a favorable decree may mean an empty victory. Moreover, to attempt to control these corporations by lawsuits means to impose upon both the department of justice and the courts an impossible burden. It is not feasible to carry on more than a limited number of such suits. Such a law to be really effective must of course be administered by an executive body, and not merely by means of lawsuits. The design should be to prevent the abuses incident to the creation of unhealthy and improper combinations, instead of waiting until they are in existence and then attempting to destroy them by civil or criminal proceedings.

Investing Public Should Be Amply Safeguarded.

"The congress has the power to charter corporations to engage in interstate and foreign commerce, and a general law can be enacted under the provisions of which existing corporations could take out federal charters and new federal corporations could be created. An essential provision of such a law should be a method of predetermining by some federal board or commission whether the applicant for a federal charter was an association or combination within the restrictions of the federal law. Provision should also be made for complete publicity in all matters affecting the public and complete protection to the investing public and the shareholders in the matter of issuing corporate securities. If an incorporation law is not deemed advisable, a license act for big interstate corporations might be enacted; or a combination of the two might be tried. The supervision established might be analogous to that now exercised over national banks. At least, the antitrust act should be supplemented by specific prohibitions of the methods which experience has shown have been of most service in enabling monopolistic combinations to crush out competition. The real owners of a corporation should be compelled to do business in their own name. The right to hold stock in other corporations should hereafter be denied to interstate corporations, unless on approval by the proper government officials, and a prerequisite to such approval should be the listing with the government of all owners and stockholders, both by the corporation owning such stock and by the corporations in which such stock is owned.

"To confer upon the national government, in connection with the amendment I advocate in the antitrust law, power of supervision over big business concerns engaged in interstate commerce, would benefit them as it has benefited the national banks. In the recent business crisis it is noteworthy that the institutions which failed were institutions which were not under the supervision and control of the national government. Those which were under national control stood the test.

"National control of the kind above advocated would be to the benefit of every well-managed railway. From the standpoint of the public there is need for additional tracks, aditional terminals, and improvements in the actual handling of the railroads, and all this as rapidly as possible. Ample, safe, and speedy transportation facilities are even more necessary than cheap transportation. Therefore, there is need for the investment of money which will provide for all these things while at the same time securing as fas as is possible better wages and shorter hours for their employes. Therefore, while there must be just and reasonable regulation of rates, we should be the first to protest against any arbitrary and unthinking movement to cut them down without the fullest and most careful consideration of all interests concerned and of the actual needs of the situation. Only a special body of men acting for the national government under authority conferred upon it by the congress is competent to pass judgment on such a matter.

Greater Elasticity in Currency Is Urged.

The president quotes extensively from his last message in dealing with the direct subject of currency legislation, and says:

"I again urge on the congress the need of immediate attention to this matter. We need a greater elasticity in our currency; provided, of course, that we recognize the even greater need of a safe and secure currency. There must always be the most rigid examination by the national authorities. Provision should be made for an emergency currency. The emergency issue should, of course, be made with an effective guaranty, and upon conditions carefully prescribed by the government. Such emergency issue must be based on adequate securities approved by the government, and must be issued under a heavy tax. This would permit currency being issued when the demand for it was urgent, while securing its retirement as the demand fell off. It is worth investigating to determine whether officers and directors of national banks should ever be allowed to loan to themselves. Trust companies should be subject to the same supervision as banks; legislation to this effect should be enacted for the District of Columbia and the territories.

"Yet we must also remember that even the wisest legislation on the subject can only accomplish a certain amount. No legislation can by any possibility guarantee the business community against the results of speculative folly any more than it can guarantee an individual against the results of his extravagance. When an individual mortgages his house to buy an automobile he invites disaster; and when wealthy men, or men who pose as such, or are unscrupulously or foolishly eager to become such, indulge in reckless speculation—especially if it is accompanied by dishonesty—they jeopardize not only their own future but the future of all their innocent fellow-citizens, for they expose the whole business community to panic and distress."

He advises against any general tariff legislation this session of congress, and says:

"In a country of such phenomenal growth as ours it is probably well that every dozen years or so the tariff laws should be carefully scrutinized so as to see that no excessive or improper benefits are conferred thereby, that proper revenue is provided, and that our foreign trade is encouraged. There must always be as a minimum a tariff which will not only allow for the collection of an ample revenue but which will at least make good the difference in cost of production here and abroad, that is, the difference in the labor cost here and abroad, for the well-being of the wage-worker must ever be a cardinal point of American policy. The question should be approached purely from a business standpoint; both the time and the manner of the change being such as to arouse the minimum of agitation and disturbance in the business world, and to give the least play for selfish and factional motives. The sole consideration should be to see that the sum total of changes represent the public good. This means that the subject cannot with wisdom be dealt with in the year preceding a presidential election, because as a matter of fact experience has conclusively shown that at such a time it is impossible to get men to treat it from the standpoint of the public good. In my judgment the wise time to deal with the matter is immediately after such election."

He asks for the repeal of the tariff on paper and wood pulp.

He reviews and enlarges upon his previous recommendations for the enactment of federal inheritance and income tax laws.

Attention is called to the prosecution of wealthy offenders against the national laws, and in this connection he asks that the laws under which these prosecutions are brought be strengthened and made more definite.

A few years ago there was loud complaint that the law could not be invoked against wealthy offenders. There is no such complaint now. The course of the *department of justice* during the last few years has been such as to make it evident that no man stands above the law, that no corporation is so wealthy that it cannot be held to account. The department of justice has been as prompt to proceed against the wealthiest malefactor whose crime was one of greed and cunning as to proceed against the agitator who incites to brutal violence. Everything that can be done under the existing law, and with the existing state of public opinion, which so profoundly influences both the courts and juries, has been done. But the laws themselves need strengthening in more than one important point; they should be made more definite, so that no honest man can be led unwittingly to break them, and so that the real wrongdoer can be readily punished.

Moreover, there must be the public opinion back of the laws or the laws themselves will be of no avail. At present, while the average jury man undoubtedly wishes to see trusts broken up, and is quite ready to fine the corporation itself, he is very reluctant to find the facts proven beyond a reasonable doubt when it comes to sending to jail a member of the business community for indulging in practices which are profoundly unhealthy, but which, unfortunately, the business community has grown to recognize as well-nigh normal. Both the present condition of the law and the present temper of juries render it a task of extreme difficulty to get at the real wrongdoer in any case, especially by imprisonment. Yet it is from every standpoint far preferable to punish the prime offender by imprisonment rather than to fine the corporation, with the attendant damage to stockholders.

The two great evils in the execution of our criminal laws to-day are sentimentality and technicality. For the latter the remedy must come from the hands of the legislatures, the courts and the laywers. The other must depend for its cure upon the gradual growth of a sound public opinion which shall insist that regard for the law and the demands of reason shall control all other influences and emotions in the jury box. Both of these evils must be removed or public discontent with the criminal law will continue.

The Use and the Abuse of Injunctions.

"Instances of abuse in the granting of injunctions in labor disputes continue to occur, and the resentment in the minds of those who feel that their rights are being invaded and their liberty of action and of speech unwarrantably restrained continues to grow. Much of the attack on the use of the process of injunction is wholly without warrant; but I am constrained to express the belief that for some of it there is warrant. This question is becoming more and more of prime importance, and unless the courts will themselves deal with it in effective manner, it is certain ultimately to demand some form of legislative action. It would be most unfortunate for our social welfare if we should permit many honest and law-abiding citizens to feel that they had just cause for regarding our courts with hostility. I earnestly commend to the attention of the congress this matter, so that some way may be devised which will limit the abuse of injunctions and protect those rights which from time to time it unwarrantably invades. Moreover, discontent is often expressed with the use of the process of injunction by the courts, not only in labor disputes, but where state laws are concerned. I refrain from discussion of this question as I am informed that it will soon receive the consideration of the supreme court."

Of other legislation in the interest of labor he favors federal inspection of railroads; providing limited but definite compensation for accidents to all workmen employed in any way by the government, and says:

"The constitutionality of the employers' liability act passed by the preceding congress has been carried before the courts. In two jurisdictions the law has been declared unconstitutional, and in three jurisdictions its constitutionality has been affirmed. The question has been carried to the supreme court, the case has been heard by that tribunal, and a decision is expected at an early date. In the event that the court should affirm the constitutionality of the act, I urge further legislation along the lines advocated in my message to the preceding congress. The practice of putting the entire burden of loss of life or limb upon the victim or the victim's family is a form of social injustice to which the United States stands in unenviable prominence. In both our federal and our state legislation we have, with few exceptions, scarcely gone farther than the repeal of the fellow-servant principle of the old law of liability, and in some of our states even this slight modification of a complete outgrown principle has not yet been secured."

He favors the extension of the eight-hour law to all departments of the government, and to all work carried on by the government. He urges legislation for the compulsory investigation of industrial disputes, and says:

"The need for some provision for such investigation was forcibly illustrated during the past summer. A strike of telegraph operators seriously interfered with telegraphic communication, causing great damage to business interests and serious inconvenience to the general public. Appeals were made to me from many parts of the country, from city councils, from boards of trade, from chambers of commerce, and from labor organizations, urging that steps be taken to terminate the strike. Everything that could with any propriety be done by a representative of the government was done without avail, and for weeks the public stood by and suffered without recourse of any kind. Had the machinery existed and had there been authority for compulsory investigation of the dispute, the public would have been placed in possession of the merits of the controversy, and public opinion would probably have brought about prompt adjustment.

"It is idle to hold that without good laws evils such as child labor, as the over-working of women, as the failure to protect employes from loss of life or limb, can be effectively reached any more than the evils of rebates and stock-watering can be reached without good laws. To fail to stop these practices by legislation means to force honest men into them, because otherwise the dishonest who surely will take advantage of them will have everything their own way. If the states will correct those evils, well and good; but the nation must stand ready to aid them.

When the department of agriculture was founded there was much sneering as to its usefulness. No department of the government, however, has more emphatically vindicated its usefulness, and none save the post office department comes so continually and intimately into touch with the people. The two citizens whose welfare is in the aggregate most vital to the welfare of the nation, and therefore to the welfare of all other citizens, are the wage-worker who does manual labor and the tiller of the soil, the farmer. There are, of course, kinds of labor where the work must be purely mental, and there are other kinds of labor where, under existing conditions, very little demand indeed is made upon the mind, though I am glad to say that the proportion of men engaged in this kind of work is diminishing. But in any community with the solid, healthy qualities which make up a really great nation the bulk of the people should do work which calls for the exercise of both body and mind. Progress can not permanently exist in the abandonment of physical labor, but in the development of physical labor, so that it shall represent more and more the work of the trained mind in the trained body. Our school system is gravely defective in so far as it puts a premium upon mere literary training and tends therefore to train the boy away from the farm and the workshop. Nothing is more needed than the best type of industrial school, the school for mechanical industries in the city, the school for practically teaching agriculture in the country. The calling of the skilled tiller of the soil, the calling of the skilled mechanic, should alike be recognized as professions, just as emphatically as the callings of lawyer, doctor, merchant, or clerk. The schools should recognize this fact and it should be equally recognized *in popular opinion. The young man who* has the farsightedness and courage to recognize it and get over the idea that it makes a difference whether what he earns is called salary or wages, and who refuses to enter the crowded field of the so-called professions, and takes to constructive industry instead, is reasonably sure of an ample reward in earnings, in health, in opportunity to marry early, and to establish a home with a fair amount of freedom from worry. It should be one of our prime objects to put both the farmer and the mechanic on a higher plane of efficiency and reward, so as to increase their effectiveness in the economic world, and therefore the dignity, the remuneration, and the power of their positions in the social world.

Inland Waterway Systems Should Be Developed.

"The conservation of our national resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life. We must maintain for our civilization the adequate material basis without which that civilization cannot exist. We must show foresight, we must look ahead. As a nation we not only enjoy a wonderful measure of present prosperity but if this prosperity is used aright it is an earnest of future success such as no other nation will have. The reward of foresight for this nation is great and easily foretold. But there must be the look ahead, there must be a realization of the fact that to waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed. For the last few years, through several agencies, the government has been endeavoring to get our people to look ahead and to substitute a planned and orderly development of our resources in place of a haphazard striving for immediate profit. Our great river systems should be developed as national water highways; the Mississippi, with its tributaries, standing first in importance, and the Columbia second, although there are many others of importance on the Pacific and Atlantic and the gulf slopes. The national government should undertake this work, and I hope a beginning will be made in the present congress; and the greatest of all our rivers, the Mississippi, should receive especial attention. From the Great Lakes to the mouth of the Mississippi there should be a deep waterway, with deep waterways leading from it to the east and the west. Such a waterway would practically mean the creation of our coast line into the very heart of our country. It would be of incalculable benefit to our people. If begun at once it can be carried through in time appreciably to relieve the congestion of our great freight-carrying lines of railroads. The work should be systematically and continuously carried forward in accordance with some well-conceived plan. The main streams should be improved to the highest point of efficiency before the improvement of the branches is attempted; and the work should be kept free from every taint of recklessness or jobbery."

Attention is called to the work of irrigation and reclamation of government lands. In the same connection he asks for a revision of the public land laws along the lines proposed by the public lands commission. Believes the government should increase its efforts to conserve our forests and should increase by purchase the existing forest preserves. On the subject of the natural resources of the nation he says:

"In the eastern United States the mineral fuels have already passed into the hands of large private owners, and those of the west are rapidly following. It is obvious that these fuels should be conserved and not wasted, and it would be well to protect the people against unjust and extortionate prices, so far as that can still be done. What has been accomplished in the great oil fields of the Indian Territory by the action of the administration offers a striking example of the good results of such a policy. In my judgment the government should have the right to keep the fee of the coal, oil and gas fields in its own possession and to lease the rights to develop them under proper regulations; or else, if the congress will not adopt this method, the coal deposits should be sold under limitations, to conserve them as public utilities, the right to mine coal being separated from the title to the soil. The regulations should permit coal lands to be worked in sufficient quantity by the several corporations. The present limitations have been absurd, excessive, and serve no useful purpose, and often render it necessary that there should be either fraud or else abandonment of the work of getting out the coal."

Progress of the Work On the Panama Canal.

"Work on the Panama canal is proceeding in a highly satisfactory manner. In March the total excavation in the Culebra Cut, where effort was chiefly concentrated, was 815,270 cubic yards. In April this was increased to 879,527 cubic yards. There was a considerable decrease in the output for May and June owing partly to the advent of the rainy season and partly to temporary trouble with the steam shovel men over the question of wages. This trouble was settled satisfactorily to all parties and in July the total excavation advanced materially and in August the grand total from all points in the canal prism by steam shovels and dredges exceeded all previous United States records, reaching 1,274,404 cubic yards. In September this record was eclipsed and a total of 1,517,412 cubic yards was removed. Of this amount 1,481,307 cubic yards were from the canal prism and 36,105 cubic yards were from accessory works. These results were achieved in the rainy season with a rainfall in August of 11.89 inches and in September of 11.65 inches. Finally, in October, the record was again eclipsed, the total excavation being 1,868,729 cubic yards; a truly extraordinary record, especially in view of the heavy rainfall, which was 17.1 inches. In fact, experience during the last two rainy seasons demonstrates that the rains are a less serious obstacle to progress than has hitherto been supposed.

"Work on the locks and dams at Gatun, which began actively in March last, has advanced so far that it is thought that masonry work on the locks can be began within 15 months.

"Last winter bids were requested and received for doing the work of canal construction by contract. None of them was found to be satisfactory and all were rejected. It is the unanimous opinion of the present commission that the work can be done better, more cheaply, and more quickly by the government than by private contractors. Fully 80 per cent. of the entire plant needed for construction has been purchased or contracted for; machine shops have been erected and equipped for making all needed repairs to the plant; many thousands of employes have been secured; an effective organization has been perfected; a recruiting system is in operation which is capable of furnishing more labor than can be used advantageously; employes are well sheltered and well fed; salaries paid are satisfactory, and the work is not only going forward smoothly, but it is producing results far in advance of the most sanguine anticipations. Under these favorable conditions, a change in the method of prosecuting the work would be unwise and unjustifiable, for it would inevitably disorganize existing conditions, check progress, and increase the cost and lengthen the time of completing the canal.

President Recommends Postal Savings Banks.

"I commend to the favorable consideration of the congress a postal savings bank system, as recommended by the postmaster general. The primary object is to encourage among our people economy and thrift and by the use of postal savings banks to give them an opportunity to husband their resources, particularly those who have not the facilities at hand for depositing their money in savings banks. Viewed, however, from the experience of the past few weeks, it is evident that the advantages of such an institution are still more far-reaching. Timid depositors have withdrawn their savings for the time being from national banks; individuals have hoarded their cash and the workingmen their earnings; all of which money has been withdrawn and kept in hiding or in the safe deposit box to the detriment of prosperity. Through the agency of the postal savings banks such money would be restored to the channels of trade, to the mutual benefit of capital and labor.

"I further commend to the congress the consideration of the postmaster general's recommendation for an extension of the parcel post, especially on the rural routes. There are now 28,215 rural routes, serving nearly 15,000,000 people who do not have the advantages of the inhabitants of cities in obtaining their supplies. These recommendations have been drawn up to benefit the farmer and the country storekeeper; otherwise, I should not favor them, for I believe that it is good policy for our government to do everything possible to aid the small town and the country district. It is deplorable that the country merchant should not be crushed out.

"The fourth-class postmasters' convention has passed a very strong resolution in favor of placing the fourth-class postmasters under the civil-service law. The administration has already put into effect the policy of refusing to remove any fourth-class postmasters save for reasons connected with the good of the service; and it is endeavoring so far as possible to remove them from the domain of partisan politics. It would be a most desirable thing to put the fourth-class postmasters in the classified service."

He renews his recommendations of last year in regard to Alaska; calls attention to the admission of Oklahoma as a state; urges the importance of providing shipping relief for Hawaii; asks for citizenship for Porto Ricans, and promises submission of Secretary Taft's report on Philippines when that official returns.

He asks for the creation of a bureau of mines; recommends the providing of funds for preserving The Hermitage, the home of Andrew Jackson; and the erection of a naval monument at Vicksburg.

Corporation Contributions to Campaign Expenses.

"Under our form of government voting is not merely a right but a duty, and, moreover, a fundamental and necessary duty if a man is to be a good citizen. It is well to provide that corporations shall not contribute to presidential or national campaigns, and furthermore to provide for the publication of both contributions and expenditures. There is, however, always danger in laws of this kind, which from their very nature are difficult of enforcement; the danger being lest they be obeyed only by the honest, and disobeyed by the unscrupulous, so as to act only as a penalty upon honest men. Moreover, no such law would hamper an unscrupulous man of unlimited means from buying his own way into office. There is a very radical measure which would, I believe, work a substantial improvement in our system of conducting a campaign, although I am well aware that it will take some time for people to so familiarize themselves with such a proposal as to be willing to consider its adoption. The need for collecting large campaign funds would vanish if congress provided an appropriation for the proper and legitimate expenses of each of the great national parties, an appropriation ample enough to meet the necessity for thorough organization and machinery, which requires a large expenditure of money. Then the stipulation should be made that no party receiving campaign funds from the treasury should accept more than a fixed amount from any individual subscriber or donor; and the necessary publicity for receipts and expenditures could without difficulty be provided."

Wants Improvement in the Ocean Mail Service.

"I call your especial attention to the unsatisfactory condition of our foreign mail service, which, because of the lack of American steamship lines, is now largely done through foreign lines, and which, particularly so far as South and Central America are concerned, is done in a manner which constitutes a serious barrier to the extensions of our commerce.

"The time has come, in my judgment, to set to work seriously to make our ocean mail service correspond more closely with our recent commercial and political development. A beginning was made by the ocean mail act of March 3, 1891, but even at that time the act was known to be inadequate in various particulars. Since that time events have moved rapidly in our history. We have acquired Hawaii, the Philippines, and lesser islands in the Pacific. We are steadily prosecuting the great work of uniting at the isthmus the waters of the Atlantic and the Pacific. To a greater extent than seemed probably even a dozen years ago we may look to an American future on the sea worthy of the tradition of our past. As the first step in that direction, and the step most feasible at the present time, I recommend the extension of the ocean mail act of 1891. That act has stood for some years free from successful criticism of its principle and purpose. It was based on theories of the obligations of a great maritime nation, undisputed in our own land and followed by other nations since the beginning of steam navigation. Briefly those theories are, that it is the duty of a first-class power so far as practicable to carry its ocean mails under its own flag; that the fast ocean steamships and their crews, required for such mail service, are valuable auxiliaries to the sea power of a nation. Furthermore, the construction of such steamships insures the maintenance in an efficient condition of the shipyards in which our battleships must be built.

Asks Increase in Pay for Army Officers and Men.

The president devotes much space to the affairs of the army, and strongly urges that our regular military organization be kept up to the highest possible standard of efficiency, and says:

"The medical corps should be much greater than the needs of our regular army in war. Yet at present it is smaller than the needs of the service demand even in peace. The Spanish war occurred less than ten years ago. The chief loss we suffered in it was by disease among the regiments which never left the country. At the moment the nation seemed deeply impressed by this fact, yet seemingly it has already been forgotten, for not the slightest effort has been made to prepare a medical corps of sufficient size to prevent the repetition of the same disaster on a much larger scale if we should ever be engaged in a serious conflict.

"But the medical department is not the only department for which increased provision should be made. The rate of pay for the officers should be greatly increased; there is no higher type of citizen than the American regular officer, and he should have a fair reward for his admirable work. There should be a relatively even greater increase in the pay for the enlisted men. An especial provision should be made for establishing grades equivalent to those of warrant officers in the navy, which should be open to the enlisted men who serve sufficiently long and who do their work well. Inducements should be offered sufficient to encourage really good men to make the army a life occupation. The prime needs of our present army is to secure and retain competent noncommissioned officers. This difficulty rests fundamentally on the question of pay. The noncommissioned officer does not correspond with an unskilled laborer; he corresponds to the best type of skilled workman or to the subordinate official in civil institutions. Wages have greatly increased in outside occupations in the last 40 years and the pay of the soldier, like the pay of the officers, should be proportionately increased. The first sergeant of a company, if a good man, must be one of such executive and administrative ability, and such knowledge of his trade, as to be worth far more than we at present pay him. The same is true of the regimental sergeant major. These men should be men who had fully resolved *to make the army a life occupation* and they should be able to look forward to ample reward; while only men properly qualified should be given a chance to secure these final rewards. The increase over the present pay need not be great in the lower grades for the first one or two enlistments, but the increase should be marked for the noncommissioned officers of the upper grades who serve long enough to make it evident that they intend to stay permanently in the army, while additional pay should be given for high qualifications in target practice.

"Among the officers there should be severe examinations to weed out the unfit up to the grade of major. From that position on appointments should be solely by selection and it should be understood that a man of merely average capacity could never get beyond the position of major, while every man who serves in any grade a certain length of time prior to promotion to the next grade without getting the promotion to the next grade should be forthwith retired."

President Sees Need of Largely Increased Navy.

The president asks for a continuous increase in the navy, and asks present congress for appropriations for four new battleships, and says:

"We need always to remember that in time of war the navy is not to be used to defend harbors and sea-coast cities; we should perfect our system of coast fortifications. The only efficient use for the navy is for offense. The only way in which it can efficiently protect our own coast against the possible action of a foreign navy is by destroying that foreign navy. For defense against a hostile fleet which actually attacks them, the coast cities must depend upon their forts, mines, torpedoes, submarines and torpedo boats and destroyers. All of these together are efficient for defensive purposes, but they in no way supply the place of a thoroughly efficient navy capable of acting on the offensive; for parrying never yet won a fight. It can only be won by hard hitting, and an aggressive sea-going navy alone can do this hard hitting of the offensive type. But the forts and the like are necessary so that the navy may be footloose. In time of war there is sure to be demand, under pressure of fright, for the ships to be scattered so as to defend all kind of ports. Under penalty of terrible disaster, this demand must be refused. The ships must be kept together, and their objective made the enemies' fleet. If fortifications are sufficiently strong, no modern navy will venture to attack them, so long as the foe has in existence a hostile navy of anything like the same size or efficiency. But unless there exists such a navy then the fortifications are powerless by themselves to secure the victory. For of course the mere deficiency means that any resolute enemy can at his leisure combine all his forces upon one point with the certainty that he can take it.

Gives Reasons for Despatch Of Fleet to the Pacific.

"Until our battle fleet is much larger than at present it should never be split into detachments so far apart that they could not in event of emergency be speedily united. Our coast line is on the Pacific just as much as on the Atlantic. The interests of California, Oregon and Washington are as emphatically the interests of the whole union as those of Maine and New York, of Louisiana and Texas. The battle fleet should now and then be moved to the Pacific, just as at other times it should be kept in the Atlantic. When the isthmian canal is built the transit of the battle fleet from one ocean to the other will be comparatively easy. Until it is built I earnestly hope that the battle fleet will be thus shifted between the two oceans every year or two. The marksmanship on all our ships has improved phenomenally during the last five years. Until within the last two or three years it was not possible to train a battle fleet in squadron maneuvers under service conditions, and it is only during these last two or three years that the training under these conditions has become really effective. Another and most necessary stride in advance is now being taken. The battle fleet is about starting by the Straits of Magellan to visit the Pacific coast. Sixteen battleships are going under the command of Rear Admiral Evans, while eight armored cruisers and two other battleships will meet him at San Francisco, whither certain torpedo destroyers are also going. No fleet of such size has ever made such a voyage, and it will be of very great educational use to all engaged in it. The only way by which to teach officers and men how to handle the fleet so as to meet every possible strain and emergency in time of war is to have them practice under similar conditions in time of peace. Moreover, the only way to find out our actual needs is to perform in time of peace whatever maneuvers might be necessary in time of war. After war is declared it is too late to find out the needs; that means to invite disaster. The trip to the Pacific will show what some of our needs are and will enable us to provide for them. The proper place for an officer to learn his duty is at sea, and the only way in which a navy can ever be made efficient is by practice at sea, under all the conditions which would have to be met if war existed."

He reviews the work accomplished by the second peace conference at The Hague; notes the improvement of affairs in Cuba, and the preparations being made to reestablish the government of the island republic; asks permission to cancel the remainder of China's indemnity obligation to us, and reviews the effect of Secretary Root's visit to Mexico.

The General Demand

of the Well-Informed of the World has always been for a simple, pleasant and efficient liquid laxative remedy of known value; a laxative which physicians could sanction for family use because its component parts are known to them to be wholesome and truly beneficial in effect, acceptable to the system and gentle, yet prompt, in action.

In supplying that demand with its excellent combination of Syrup of Figs and Elixir of Senna, the California Fig Syrup Co. proceeds along ethical lines and relies on the merits of the laxative for its remarkable success.

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REFUSE SUBSTITUTES.

HIS TURN TO CRITICISE.

Youngster Felt Called on to Manifest Disapproval of Prayer.

Little John, who, at the mature age of four, has learned the Lord's Prayer, is often criticised by his sister, two years older, for slight mistakes which he cannot always avoid in offering the petition. A few Sundays ago he was taken to church for the first time. When the moment for the prayer arrived and the congregation bowed their heads John's mother took the precaution to whisper to him that he must be very quiet. "Listen," she said, "and you will hear the minister pray." This interested John at once, and his little face took on a look of serious attention, but his mother, watching him covertly, saw his expression change presently to one of surprise and disapproval. A few minutes more, and he could stand it no longer. What could this man be saying? Not a word of the prayer did he recognize as the only formula he had ever heard called by that name.

"Why, mother," he exclaimed, in a tone audible over nearly half the church, "do you hear? He isn't saying it right at all!"

Just His Luck.

"Well, old fellow, I hear that your aunt is dead."

"Yes, she died yesterday," replied the old fellow somewhat sadly.

"It is the way of the world. We must all die some time, and the old lady was well advanced in years. She left a last will and testament, of course? I understood she was wealthy."

"Oh, yes, she left a will and testament," still more sadly.

"You were always a favorite of hers. Your name was mentioned, of course?"

"Yes," he replied, "my name was mentioned. I'm to have the Testament."

One Waiter with Sense.

Man in a restaurant, happening in just as a new shift of waiters came on. And having eaten a very modest luncheon this man laid down a modest tip, to be exact, five cents.

And did the waiter shy off or sniff at this nickel? He did neither, but on the contrary he seemed to regard it as an augury of good fortune that his first customer should have given him something, and—

"Thank you," he said, politely, to the customer, and as he turned away he added to himself: "That's a starter."—N. Y. Sun.

Experience.

"Experience is the best teacher," remarked the man who indulges in trite sayings.

"Yes," answered the skeptic; "but occasionally, as in distinguishing between mushrooms and toadstools, your education comes too late to be of any service."

BEGAN YOUNG.

Had "Coffee Nerves" from Youth.

"When very young I began using coffee and continued up to the past six months," writes a Texas girl.

"I had been exceedingly nervous, thin and very sallow. After quitting coffee and drinking Postum Food Coffee about a month my nervousness disappeared and has never returned. This is the more remarkable as I am a Primary teacher and have kept right on with my work.

"My complexion now is clear and rosy, my skin soft and smooth. As a good complexion was something I had greatly desired, I feel amply repaid even tho this were the only benefit derived from drinking Postum.

"Before beginning its use I had suffered greatly from indigestion and headache; these troubles are now unknown.

"Best of all, I changed from coffee to Postum without the slightest inconvenience, did not even have a headache. Have known coffee drinkers who were visiting me, to use Postum a week without being aware that they were not drinking coffee.

"I have known several to begin the use of Postum and drop it because they did not boil it properly. After explaining how it should be prepared they have tried it again and pronounced it delicious."

Name given by Postum Co., Battle Creek, Mich. Read the booklet, "The Road to Wellville," in pkgs. "There's a Reason."