CONGRESS HEARS SECOND MESSAGE

President Tells of Treasury and Army Affairs.

PHILIPPINES ARE INCLUDED

Bill for Natives' Independennce Denounced as Premature—Progress of Panama Canal.

Washington, Dec. 4.—Congress today received from President Taft the second of his messages to the short session. It deals with fiscal, military, insular and judicial affairs and in part is as follows:

The condition of the country with reference to business could hardly be better. While the four years of the administration now drawing to a close have not developed great speculative expansion or a wide field of new investment, the recovery and progress made from the depressing conditions following the panic of 1907 have been steady and the improvement has been clear and easily traced in the statistics. The business of the country is now on a solid basis. Credits are not unduly extended and every phase of the situation means is a state of preparedness for a period of unexampled prosperity. Manufacturing concerns are running at their full capacity and the demand for labor was never so constant and growing. The foreign trade of the country for this year will exceed $[illegible] while the balance in our favor, that of the excess of exports over imports, will exceed $[illegible]. More than half our exports are manufactures, or partly manufactured material, while our exports of farm products do not show the same increase of domestic consumption. It is a year of bumper crops, the total money value of farm products will exceed $[illegible]. It is a year when the footing of our price of agricultural products has gradually fallen, and yet the total value of the entire crop is greater by over $[illegible] than we have known in our history.

Condition of the Treasury.

The condition of the treasury is very satisfactory. The total interest-bearing debt is $[illegible], of which $[illegible] represents the Panama canal loan. The non-interest-bearing debt is $[illegible], including $[illegible] of greenbacks. We have in the treasury $[illegible] in gold coin as a reserve against the outstanding greenbacks, and in addition we have a cash balance in the treasury as a general fund of $[illegible], an increase of $[illegible] over the general fund last year.

Receipts and Expenditures.

For three years the expenditures of the government have decreased under the influence of an effort to economize. This year presents an apparent exception. The estimate by the secretary of the treasury of the ordinary receipts, exclusive of postal revenue, for the year ending June 30, 1914, indicates that they will amount to $[illegible]. The sum of the estimates of the expenditures for that same year, exclusive of Panama canal disbursements and postal disbursements payable from postal revenue, is $[illegible], indicating a deficit of $[illegible]. For the year ending June 30, 1913, the secretary's estimated receipts were $[illegible], while the total corresponding estimate of expenditures for that year, submitted through the secretary of the treasury to congress, amounted to $[illegible]. This shows an increase of $[illegible] in the estimates for 1914 over the total estimates of 1913. This is due to an increase of $[illegible] in the estimate for rivers and harbors for the next year on projects and surveys authorized by congress, to an increase under the new pension bill of $[illegible], and to an increase in the estimates for expenses of the navy department of $[illegible]. The estimate for the navy department for the year 1913 included two battleships. Congress made provision for only one battleship, and therefore the navy department has deemed it necessary and proper to make an estimate which includes the first year's expenditure for three battleships in addition to the amount required for work on the unfinished ships now under construction. In addition to the natural increase in the expenditures for the uncompleted ships, and the additional battleship estimated for, the other increases are due to the pay required for 1000 or more additional enlisted men in the navy, and to this must be added the additional cost of construction imposed by the change in the eight-hour law, which makes it applicable to ships built in private shipyards.

With the exceptions of these three items, the estimates show a reduction this year below the total estimates for 1913 of more than $[illegible].

The estimates for Panama canal construction for 1914 are $[illegible] less than for 1913.

The president then explained at some length the national reserve association system recommended by the monetary commission and urged congress to examine the plan impartially from all standpoints and then to adopt some plan which will secure the benefits desired.

Concerning the tariff he had little to say in view of the fact that a new congress has been elected on a platform of tariff for revenue only.

Army Reorganization.

Our small army now consists of [illegible] men, excluding the [illegible] Philippine scouts. Leaving out of consideration the coast artillery force, whose position is fixed in our various seacoast defenses, and the present garrisons of our various insular possessions, we have today within the continental United States a mobile army of only about [illegible] men. This little force must be still further drawn upon to supply the new garrisons for the great naval base which is being established at Pearl Harbor, in the Hawaiian islands, and to protect the locks now rapidly approaching completion at Panama. The forces remaining in the United States are now scattered in nearly fifty posts, situated for a variety of historical reasons in twenty-four states. These posts contain only fractions of regiments, averaging less than 200 men each. In time of peace it has been our historical policy to administer these units separately by a geographical organization. In other words, our army in time of peace has never been a united organization, but merely scattered groups of companies, battalions and regiments, and the first task in time of war has been to create out of these scattered units an army fit for effective team-work and co-operation.

To the task of meeting these patent defects, the war department has been addressing itself during the past year. A comprehensive plan of reorganization was prepared by the war college division of the general staff. This plan was thoroughly discussed last summer at a series of open conferences held by the secretary of war and attended by representatives from all branches of the army and from congress. In printed form it has been distributed to members of congress and throughout the army and the national guard, and widely through institutions of learning and elsewhere in the United States. In it, for the first time, we have a tentative chart for future progress.

The National Guard.

Under existing law the national guard constitutes, after the regular army, the first line of national defense. Its organization, discipline, training, and equipment, under recent legislation, have been assimilated, as far as possible, to those of the regular army, and its practical efficiency, under the effect of this training, has very greatly increased. Our citizen soldiers under present conditions have reached a stage of development beyond which they cannot reasonably be asked to go without further direct assistance in the form of pay from the federal government. On the other hand, such pay from the national treasury would not be justified unless it produced a proper equivalent in additional efficiency on the part of the national guard. The organized militia today cannot be ordered outside of the limits of the United States, and thus cannot lawfully be used for general military purposes. The officers and men are ambitious and eager to make themselves still available and to become an efficient national reserve of citizen soldiery. They are the only force of trained men, other than the regular army, upon which we can rely. The so-called military pay bill, in the form agreed on between the authorities of the war department and the representatives of the national guard, in my opinion adequately meets these conditions and offers a proper return for the pay which it is proposed to give to the national guard. I believe that its enactment into law would be a very long step toward providing this nation with a first line of citizen soldiery, upon which its main reliance must depend in case of any national emergency. Plans for the organization of the national guard into tactical divisions, on the same lines as those adopted for the regular army, are being formulated by the war college division of the general staff.

Porto Rico. Mr. Taft says continues to show notable progress, and he urges the senate to pass the bill granting the Porto Ricans American citizenship.

Philippines

A bill is pending in congress, continuing the message, which revolutionizes the carefully worked out scheme of government under which the Philippine islands are now governed, and which proposes to render them virtually autonomous at once and absolutely independent in eight years. Such a proposal can only be founded on the assumption that we have now discharged our trusteeship to the Filipino people and put responsibility for them in the world, and that they are now prepared for self-government as well as national sovereignty. A thorough and unbiased knowledge of the facts clearly shows that these assumptions are absolutely with foundation. As to this, I believe that there is no substantial difference of opinion among any of those who have had the responsibility of facing Philippine problems in the administration of the islands, and I believe that no one to whom the future of this people is a responsible concern can countenance a policy fraught with the direst consequences to those on whose behalf it is unfeelingly urged.

In the Philippine islands we have embarked upon an experiment unprecedented in dealing with dependent peoples. We are developing there conditions exclusively for their own welfare. We found an archipelago containing [illegible] tribes and races speaking a great variety of languages and with a population over 80 per cent of whom could neither read nor write. Through the unifying forces of a common education, of commercial and economic development, and of gradual participation in local self-government, we are endeavoring to evolve a homogeneous people fit to determine when the time arrives, their own destiny. We are seeking to create a nation, spirit and not, as under the older colonial theory, to suppress such a spirit. The character of the work we have been doing is keenly recognized in the Orient, and our success thus far followed with not a little envy by those who, imitating the same policy, find themselves hampered by conditions grown up in earlier days and under different theories of administration. But our work is far from done. Our duty to the Filipinos is far from discharged. Over half a million Filipino students are now in the Philippine schools helping to mold the men of the future into a homogeneous people, but there still remain more than a million Filipino children of school age yet to be reached. Freed from American control the integrating forces of a common education and a common language will cease and the educational system now well started will slip back into inefficiency and disorder.

An enormous increase in the commercial development of the islands has been made since they were virtually granted full access to our markets three years ago, with every prospect of increasing development and diversified industries. Freed from American control such development is bound to decline. Every observer speaks of the great progress in public works for the benefit of the Filipinos, of harbor improvements, of road and railways, of irrigation and artesian wells, public buildings, and better means of communication. But large parts of the islands are still unreached, still even unexplored, roads and railways are needed in many parts, irrigation systems are still to be installed and wells to be driven. Whole villages and towns are still without means of communication other than almost impassible roads and trails. Even the great progress in sanitation, which has successfully suppressed smallpox, the bubonic plague, and Asiatic cholera, has found the cause of and a cure for beri-beri, has segregated the lepers, has helped to make Manila the most healthful city in the Orient, and to free life throughout the whole archipelago from its former dread diseases, is nevertheless incomplete in many essentials of permanence in sanitary policy. Even more remains to be accomplished. If freed from American control sanitary progress is bound to be arrested and all that has been achieved likely to be lost.

If the task we have undertaken is higher than that assumed by other nations its accomplishment must demand even more patience. We must not forget that we found the Filipinos wholly untrained in government. Up to our advent all other experience sought to repress rather than encourage political power. It takes long time and much experience to ingrain political habits of steadiness and efficiency. Popular self-government ultimately must rest upon common habits of thought and upon a reasonably developed public opinion. No such foundations for self-government, let alone independence, are now present in the Philippine islands. Disregarding even their racial heterogeneity and the lack of ability to think as a nation, it is sufficient to point out that under liberal franchise privileges only about 3 per cent of the Filipinos vote and only 1 per cent of the people are said to read the public press. To confer independence upon the Filipinos now is, therefore, to subject the great mass of their people to the dominance of an oligarchical and, probably, exploiting minority. Such a course will be as cruel to those people as it would be shameful to us.

Our true course is to pursue steadily and courageously the path we have thus far followed, to guide the Filipinos into self-sustaining pursuits, to continue the cultivation of sound political habits through education and political practice, to encourage the diversification of industries, and to realize the advantages of their industrial education by conservatively approved co-operative methods, at once checking the dangers of concentrated wealth and building up a sturdy, independent citizenship.

Regulation of Water Power.

There are pending before congress a large number of bills proposing to grant privileges of erecting dams for the purpose of creating water power in our navigable rivers. The pendency of these bills has brought out an important defect in the existing general dam act. That act does not, in my opinion, grant sufficient power to the federal government in dealing with the construction of such dams to exact protective conditions in the interest of navigation. It does not permit the federal government, as a condition of its permit, to require that a part of the value thus created shall be applied to the further general improvement and protection of the stream. I believe this to be one of the most important matters of internal improvement now confronting the government. Most of the navigable rivers of this country are comparatively long and shallow. In order that they may be made fully useful for navigation there has come into vogue a method of improvement known as canalization, by the slack water method, which consists in building a series of dams and locks, each of which will create a long pool of deep navigable water. At each of these dams there is usually created a long pool of deep navigable water. At each of these dams there is usually created also water power of commercial value. If the water power thus created is the only available for the further improvement of navigation in the stream, it is manifest that the improvement will be much more quickly effected, on the one hand, and on the other that the burden on the general taxpayers of the country will be very much reduced. Private interests seeking permits to building waterpower dams in navigable streams usually urge that they thus improve navigation, and that if they do not impair navigation they should be allowed to take for themselves the entire profits of the water power development. Whatever they may do by way of relieving the government of the expense of improving navigation should be given due consideration, but it must be apparent that there may be a profit beyond a reasonable (then) return upon the private investment which is a potential asset of the government in carrying out a comprehensive policy of waterway development. It is no objection to the retention and use of such an asset by the government that a comprehensive waterway policy will include the protection and development of the other public uses of water which cannot and should not be ignored in making and executing plans for the protection and development of navigation. It is also equally clear that leasing to the water power those rivers which in no way be an incident of a general scheme of waterway improvement within the constitutional jurisdiction of the federal government the regulation of such water power lies wholly within that jurisdiction. In my opinion constructive statesmanship requires that legislation should be enacted which will permit the development of navigation in these great rivers to go hand in hand with the utilization of this by-product of water power created in the course of the same improvement, and that the general dam act should be amended so as to make this possible. I deem it highly important that the nation should adopt a consistent and harmonious treatment of these water-power projects, which will preserve for this purpose their value to the government, whose right it is to grant the permit. Any other policy is equivalent to throwing away a most valuable national asset.

The Panama Canal.

During the past year the work of construction upon the canal has progressed most satisfactorily. About 67 per cent of the excavation work has been completed and more than 52 per cent of the concrete for all the locks is in place. In view of the great interest which has been manifested as to some slides in the Culebra Cut, I am glad to say that the report of Col. Goethals should allay any apprehension on this point. It is gratifying to note that none of the slides which occurred during this year would have interfered with the passage of the ships had the canal in fact been in operation, and when the slope pressures will have been finally adjusted and the growth of vegetation will minimize erosion in the banks of the cut, the slide problem will be practically solved and an ample stability assured for the Culebra Cut.

Although the official date of the opening has been set for January 1, 1915, the canal will, in fact, from present indications, be opened for shipping during the latter half of 1914. No fixed date can as yet be set, but shipping interests will be advised as soon as assurances can be given that vessels can pass through without unnecessary delay.

Recognizing the administrative problem in the management of the canal, congress in the act of August 24, 1912, has made admirable provision for executive responsibility in the control of the canal and the government of the Canal Zone. The problem of most efficient organization is receiving careful consideration, so that a scheme of organization and control best adapted to the conditions of the canal may be formulated and put in operation as expeditiously as possible. Acting under the authority conferred on me by congress, I have, by executive proclamation, promulgated the following schedule of tolls for ships passing through the canal, based upon the thorough report of Emory R. Johnson, special commissioner on traffic and tolls:

1. On merchant vessels carrying passengers or cargo, $1.20 per net vessel ton—each 100 cubic feet of actual capacity.

2. On vessels in ballast without passengers or cargo, 40 per cent less than the rate of tolls for vessels with passengers or cargo.

3. Upon naval vessels, other than transports, colliers, hospital ships, and supply ships, 50 cents per displacement ton.

4. Upon army and navy transports, colliers, hospital ships, and supply ships, $1.20 per net ton, the vessels to be measured by the same rules as are employed in determining the net tonnage of merchant vessels.

Rules for the determination of the tonnage upon which toll charges are based are now in course of preparation and will be promulgated in due season.

Panama Canal Treaty.

The proclamation which I have issued in respect to the Panama Canal tolls is in accord with the Panama Canal act passed by this congress August 24, 1912. We have been advised that the British government has prepared a protest against the act and its enforcement in so far as it relieves from the payment of tolls American ships engaged in the American coastwise trade, on the ground that it violates British rights under the Hay-Pauncefote treaty concerning the Panama Canal. When the protest is presented it will be promptly considered and an effort made to reach a satisfactory adjustment of any differences there may be between the two governments.

Workmen's Compensation Act.

The promulgation of an efficient workmen's compensation act, adapted to the particular conditions of the zone, is awaiting adequate appropriation by congress for the payment of claims arising thereunder. I urge that speedy provision be made in order that we may install upon the zone a system of settling claims for injuries in best accord with modern humane, social, and industrial theories.

Promotion for Col. Goethals.

As the completion of the canal grows nearer, and as the wonderful executive work of Col. Goethals becomes more conspicuous to the eyes of the country and of the world, it seems to me wise and proper to make provision by law for such reward to him as may be commensurate with the service that he has rendered to his country. I suggest that this reward take the form of an appointment of Col. Goethals as a major general in the army of the United States, and that the law authorizing such appointment be accompanied with a provision permitting his designation as chief of engineers upon the retirement of the present incumbent of that office.

Navy Department.

The navy of the United States is in a greater state of efficiency and is more powerful than it has been before, but in the emulation which exists between different countries in respect to the increase of naval and military armaments this condition is not a permanent one. In view of the many improvements and increases by foreign governments the slightness halt on our part in respect to new construction throws us back and reduces us from a naval power of the first rank and places us among the nations of the second rank.

A year ago congress refused to appropriate for more than one battleship. In this I think a great mistake of policy was made, and I urgently recommend that this congress make up for the mistake of the last session by appropriations authorizing the construction of three battleships in addition to destroyers, fuel ships, and the other auxiliary vessels as shown in the building program of the general board. We are confronted by a condition in respect to the navies of the world which requires us, if we would maintain our navy as an insurance of peace, to augment our naval force by at least two battleships a year and its battle cruisers, gunboats, torpedo destroyers, and submarine boats in a proper proportion. We have no desire for war. We are as far as any nation in the world to avoid war, but we are a world power, our population, our wealth, our definite policies, our responsibilities in the Pacific and the Atlantic, our defense of the Panama canal together with our enormous assets trade and our missionary outposts on the frontiers of civilization, require us to maintain our position as one of the foremost in the family of nations, and to clothe ourselves with sufficient naval power to give force to our reasonable demands, and to give weight to our influence in those directions of progress that a powerful christian nation should illustrate.

Department of Justice

This department has been very active in the enforcement of the law. It has been better organized and with a larger force than ever before in the history of the government. The prosecutions which have been successfully concluded and which are now pending testify to the effectiveness of the department work.

The prosecution of trusts under the Sherman anti-trust law has gone on without restraint or diminution, and decrees similar to those entered in the Standard Oil and Tobacco cases have been entered in other suits, like the suits against the powder trust and the bath tub trust. I am very strongly convinced that a steady, consistent course in this regard, with a continuing of Supreme court decisions upon the new phases of the trust question not already finally decided, is going to offer a solution of this much-discussed and troublesome issue in a quiet, calm and judicial way, without any radical legislation changing the governmental policy in regard to combinations now denounced by the Sherman anti-trust law. I have already recommended as an aid in this matter legislation which would declare unlawful certain well-known phases of unfair competition in interstate trade, and I have also advocated voluntary national incorporation for the larger industrial enterprises, with provision for a closer supervision by the bureau of corporations, or a board appointed for the purpose, so as to make certain compliance with the anti-trust law on the one hand and to give greater security to the stockholders against possible prosecutions on the other. I believe, however, that the orderly course of litigation in the courts and the regular prosecution of trusts charged with the violation of the anti-trust law is producing among business men a clearer and clearer perception of the line of distinction between business that is to be encouraged and business that is to be condemned and that in this quiet way the question of trusts can be settled and competition retained as an economic force to secure reasonableness in prices and freedom and independence in trade.

WILLIAM H. TAFT.

Ribbon Bags for Christmas

Opera bags, handsome work bags and small ribbon bags that are so welcome with each returning Christmas are more beautiful than ever this year. For the art of weaving ribbons, which amounts to as much as painting when it comes to picturing flowers, seems to have reached perfection. Woven and printed Dresden ribbons and the richest brocades are used for the various kinds of bags. The heavy brocades are used for bags to be carried on the street, the flowered and gayly striped printed ribbons are chosen for work bags and the small toilet or vanity bags for carrying powder and powder puff, a small hand mirror, a little square of chamois and all the other little requirements which women find it necessary to have within easy reach all the time.

The colors chosen for hand bags are soft and rich and the flowers shown in raised velvet against a satin background. Eggplant and deep royal purple shading into black in the background, blossom, into rich American Beauty roses in their natural colorings with dark green shadowy foliage melting into the ground. Little rosettes finished with pendant ribbon flowers or little bows are used as a finish. Such a bag is shown in Figs. 1 and 2.

For Fig. 2 a lighter brocade is used, with woven-in instead of raised flowers, but the design is gorgeous with gold thread woven into the design. The bag is a trifle smaller and the corners of it are rounded. Narrow satin ribbon in the prevailing color of the bag finishes the sides with loops and furnishes the means of carrying the bag.

Fig. 3 is a work bag made of gay Dresden ribbon with dark stripes sewed to plain satin ribbon in the same color as the background of the Dresden. This bag is provided with a cardboard bottom covered with the ribbon and finished with hangers of narrow satin ribbon and two rosettes of it. These Dresden and plain satin ribbons are inexpensive but beautiful.

Fig. 4 is a very handsome bag in flowered ribbon in which black and gold are the predominating colors with touches of scarlet. It is made on a circular bottom like Fig. 3, but the lengthwise of the ribbon run around the bag. It is hemmed at the top without a standing ruffle and rosettes of narrow black satin ribbon are set about it, four of them altogether. At the sides flower pendants made of the narrow ribbon hang from full rosettes.

JULIA BOTTOMLEY.

Little Novelties for Christmas

Flat rosettes and velvet roses, and life-like roses of ribbon, more wonderfully well made than ever, are the fad of the hour. With small, compact nosegays made of ribbon or millinery flowers, they divide honors in milady's favor. For furnishing separate girdles flat ribbon rosettes are used. The corsage rose is fastened just above the waist line and it is a superb touch to the dinner or evening toilet. The exquisite little nosegays bloom on all sorts of dress and are liked for the tailor-made coat with its dainty finish of white plaitings at the collar and sleeves. Two American Beauty roses are shown here made of satin ribbon. Each petal is carefully curled and tucked at the edges to look like a gleaming natural rose. The ribbon is in two and sometimes three shades and millinery foliage of the most natural-looking variety is used with the roses. Finally, not to disappoint anyone, the flowers are scented with attar of roses.

There is nothing that could be better for a Christmas gift than the corsage rose or the little nosegay. In the latter the stems are wound with tinfoil matching the flowers in color and tied with a bow of baby velvet ribbon of the same color.

JULIA BOTTOMLEY.

NEED OF A NEW HORIZON

Excessive Application to Any One Line of Endeavor Is a Grave Mistake to Make.

Many excellent women, when the flush of youth has passed, instead of maturing into enduring, increasing usefulness and serenity, become like unto a house left desolate. Whether work be drudgery or delight, too exclusive application to it naturally tends to narrow the horizon. The merchant finds himself surrounded by dry goods talk, and dry goods people until the walls of his store are the boundaries of his world. The scientist who puts his soul and heart and brain into the pursuit of the beetle finds in time that every point of the compass ends in a beetle. The society woman who finds all her interest in one class and in one set of events and modes of living sees and feels little of the vast and palpitating current of human life above and below and around her. The nerves and brain and muscles grow weary of monotony. However intensely we apply ourselves, we should keep our eyes on the distant hills and the crimson sunset. There should always be kept open a path that runs away to the west or east or north or south, to an entirely new horizon; to some other work one loves; to some other study that appeals; to a new game with a new set of rules.—Collier's.

Bees Stick to One Flower.

It is usually supposed, especially by the poets, that bees sip sweets indiscriminately from many a flower. All bees, including the honey bee, show a strong tendency in collecting both nectar and pollen to be constant to one species of flower. This is manifestly for the advantage of both insects and flowers. In the case of a number of bees flying for only a small part of the season this habit has become so specialized that they visit only one or a few allied species of flowers, which offer an abundance of pollen and nectar.