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WASHINGTON, D. C., MONDAY, DECEMBER 7, 1903-TWENTY-FOUR PAGES.

AFFAIRS OF THE DISTRICT

Annual Report of the Commissioners Submitted.

CONGRESS 0F INFORMATION

Recommendations Renewed for vances From Treasury.

IMPROVEMENTS EXTRAORDINARY

warded to the President their annual report relative to the affairs of the District of Columbia during the fiscal year ending June 30, 1903. The report was transmitted to Congress by the President simultaneously with his annual message. It contains the recommendations of the District authorities relative to legislation for the benefit of the District, reviews in detail the operations of the various departments of the District government during the year, and mentions the important events in connection with the municipality which have occurred since the last annual report. The

report is as follows: The President: The Commissioners of the District of Columbia herewith submit for the requirements of section 12 of an "Act providing a permanent form of government for the District of Columbia," approved June 11, 1878 (20 Stat. L., 108), a report of their official doings for the fiscal year ended

The total expenditures for the year, exclusive of those for the water department and expenditures on account of special and trust funds, were \$9,088,554.67. This amount embraced \$9,051,980.09 appropriated for the fiscal year 1903 and prior years, and \$36,-574.58 appropriated for the fiscal year 1904 and made immediately available, the details of which appear in the accompanying report of the auditor.

During the year the indebtedness of th District for advances from the United States Treasury in pursuance of the following law was reduced from \$1,759,238.34 to \$1,653.517.51, and \$35,184.76 applied in payment of interest on the former amount Sec. 3. That until and including Jun thirtieth, nineteen hundred and four, the Secretary of the Treasury is authorized and directed to advance, on the requisition of the Commissioners of the District o Columbia, made in the manner now pre scribed by law, out of the moneys in the Treasury of the United States not other wise appropriated, such sums as may be necessary from time to time to meet the general expenses of said District, as authorized by Congress, and to reimburse the Treasury for the portion of said advances payable by the District of Columbia out of the taxes and revenues collected for the support of the government thereof: Pro-vided, That all advances made under this act and under the acts of February elev-enth, nineteen hundred and one, and June first, nineteen hundred and two, not re-imbursed to the Treasury of the United States on or before June thirtieth, nine-teen hundred and four, shall be reimbursed to said Treasury out of the revenues of the District of Columbia from time to time, within five years, beginning July first, nine teen hundred and four, together with interest thereon at the rate of two per centum per annum until so reimbursed:

Provided further, That interest on advances made prior to June thirtieth, nineteen hundred and two, in the accounts of the District of Columbia with the United States shall be computed for the fiscal year nineteen hundred and three and paid immediately after the close thereof from the revenues of the District of Columbia, and the same rule of computation and payment of interest shall apply to all advances made three, and subsequent fiscal years: Provided further, That the Auditor for the State and other Departments and the auditor of the District of Columbia shall each annually report the amount of such adannually report the amount of such advances, stating the account for each fiscal year separately, and also the reimbursements made under this section, together with the balances remaining, if any, due to the United States: And provided further That nothing contained herein shall be so construed as to require the United States to bear any part of the cost of street extensions, and all advances heretofore or hereafter made for this purpose by the Secre-tary of the Treasury, shall be repaid in full from the revenues of the District of Colum-

ent with this act are repealed.

Approved, March 3, 1903. If the total appropriations for which the District funds were liable up to June 30, 1903, had been expended, advances from the Treasury aggregating \$3.266,867.74 would have been required; the difference between the actual advances and the total author-ized liability being principally due to the fact that a large part of the latter, embrac-ing among other items those for sewage disposal and the filtration plant, had not matured. The Commissioners have recently been advised by the Comptroller of the Treasury that the District has a further matured liability of \$300,000, for two payments of \$150,000 each to the Treasurer of the United States in trust for the Baltimore and Ohio Railroad Company, to meet the District's half of \$1,500,000 required to be paid in connection with the railroad terminal improvements under the act of Feb-

minal improvements under the act of February 12, 1901.

Water Department.

Water Department.

The revenues of the water department during the year 1903, including repayments, amounted to 464,880.02, which were 391.

189.98 less than the expenditures by requisition during that period. The balance in the principle that, presenting of the water fund at the beginning of that year water fund on June 30, 1903, of \$22,003.94, most of 1900.

This year do not be required of the Commissions simply as a mark that caused by the Commissioners Appointed. Commissioners Appointed the Commissioners on July 6, 1903. The vacancy was filled by the appropriations for the District of Columbia to the second day of March, 1903, to succeed himself on the 5th of May following, and qualified and took the oath of office the public charity of the vacancy was filled by the appointment.

The only change in the membership of the best advantage in foreign trade as to bring about the much desired harmony and co-operation among the commissioners Appointment.

The only change in the membership of the Commissioners on July 6, 1903. The vacancy was filled by the appointment of the local charities should be care that of education is that caused by the commissioners and the commissioners on July 6, 1903. The vacancy was filled by the appointment of the Commissioners on July 6, 1903. The vacancy was filled by the appointment of the commission simply and can not be required of the Commissioners and the commissioners on July 6, 1903. The vacancy was filled by the appointment of the local charities from the commissioners and the commissioners on July 6, 1903. The vacancy was filled by the appointment of the local charities from the commissioners and the commissioners and the commissioners and the commissioners on July 6, 1903. The vacancy was fill

The District Commissioners today for-which is pledged to the construction of the new Trumbull street pumping station, now

Indebtedness. Funded Debt.-The funded debt of the District of Columbia on June 30, 1903, was \$12,923,630.18, all of which was incurred under the forms of local government which existed in the District prior to July 1, 1878. The following details of that debt are taken from the report of the Treasurer of the United States, who is charged by law with its management:

Description of bonds. the District of Columbia: Water stock. Water stock. Aug. 1, 1923 Fifty-year funding. Aug. 1, 1924 A	Date of maturity. July 1, 1903 Aug. 1, 1924 Interest has continuerest has continuerest has continuerest on the continuerest of the continuerest of percent stooms, general st	Rate of interest. Per cent. 7.00 3.65 assed, there deposited the control of the cent bonds. k	Rate of interest. When due.	Total. \$13,000 00 12,904,250 00 6,380 18
cks and bonds outstanding on which interest has ceased, there being mads for the payment of the principal and interest deposited in the nited States Treasury: Corporation of Washington 3-year (Emery) bonds. Corporation of Washington 10-year bonds. Corporation of Washington 5 per cent general stock Corporation of Washington 6 per cent general stock District of Columbia permanent-improvement 6 per cent bonds. Corporation of Washington 30-year funding 6 per cent bonds.	interest has continued in and interest in and interest in and interest sounds	deposited deposited k k k c cent bonds ent bonds	\$100 100 100 100 200 200	a 380
Total bonded debt. FLOATING DEBT.	FLOATING DEST.			12,923,630 18
Total floating debt.	Cerminals		300,000 00	1,953,517 51
Total indebtedness				\$14,877,147 69

No change has occurred in the status of the conditional obligations of the Distric to redeem certain drawback certificates issued for overcharges of special assess ments levied by former municipal governments of the District, aggregating about \$10,000, a full statement of which appears

on page 4 of the Commissioners' annual report for 1900. General Assessment.

The assessor reports the assessment of taxable real and personal property in the District of Columbia for the fiscal year erded June 30, 1903, as follows:

Washington county: Taxable valuation of land, \$24,898,658

Taxable valuation of improvements...... 12,318,400 Total assessed value of taxable real

estate \$\\
\text{'ersonal property} \quad \text{\$19,356,839} \\
\text{treet railways taxed on gross receipts} \quad \quad \text{\$2,893,097} \end{array} Total assessed value of taxable real

estate and personal property in the District of Columbia on June 30, 1903......\$230,769,372

Rate of General Tax.

The rate of general tax on real and personal property was fixed at \$1.50 per \$100 of the assessed valuation of such property by the act of Congress approved July 1, 1902, entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," as follows:

Sec. 5. That hereafter all real estate in the District of Columbia subject to taxa-tion, including improvements thereon, shall be assessed at not less than two-thirds of the true value thereof, and shall be taxed one and one-half per centum upon the assessed valuation thereof.
Sec. 6, par. 2. On all tangible personal property, assessed at a fair cash value (over and above the exemptions provided in this section) • • • there shall be paid to the collector of taxes of the District of

Columbia one and one-half per centum on the assessed value thereof. Population.—Based upon the census of 1900 and the normal rate of increase the

projects of improvement demanding large sums of money within a short time and extending their benefits into the future. Everywhere else it is recognized that the cost of such improvements cannot be met out of current revenues and ought to be spread over a series of years, and therefore it is customary to meet it by an issue of bonds with the usual provision for repayment by a sinking fund. The United States does not have to borrow money in any way to meet its share of such expenditures in the District of Columbia. But the District of Columbia. But the District of Columbia must borrow money like any other municipality to meet its share of the cost of such improvements, because its current revenues cannot meet immediately such extraordinary demands without compelling such a reduction in current expenditures as would cripple the municipal services.

Commissioners in case of disability or death. The law now authorizes the detail of three assistants to the Engineer Commissioner from among the engineer officers of the Army (two being now detailed), any one of whom may act as Commissioner. But if a civil Commissioner is unable to act, there is no one to take his place, and if both the civil Commissioners should be unable to act, there is no one to take his place, and if both the civil Commissioners should be unable to act, the government of the District of Columbia, so far as the Commissioners are concerned, would be temporarily interrupted. A majority of the board is required for the transaction of business, except the making of contracts for construction work, which requires the signatures or all three Commissioners.

The Commissioners recommissioner in the absence of the Engineer Commissioner for the absen

municipal services.

Congress has author zed and directed in recent years extraordinary municipal improvements for the District of Columbia, notably the filtration plant, the sewage-disposal system, the District bulling, all heartily approved by the Commissioners and the community, of which the District of Columbia is required to pay half the cost, besides the contribution which it is required to make toward the new rallway terminal improvement. All these projects would be provided for elsewhere by a bond issue. Congress was not willing to authorize the issue of bonds for this purpose, and thus far it has made no permanent arrangement to enable the District to properly carry its share of the burden. For three years Congress has made temporary proyears Congress has made temporary pro-vision from year to year for advances from on the general account, including both extraordinary and current expenditures. This legislation expires the 1st of July, 18.14, and the amount then due on that account is to be repaid within five years from that day. Congress has made no provision for the District's share of the cost of the extraordinary improvements after the 1st of July part although it is evident from the project. next, although it is evident from the projects authorized that larger amounts will be required on that account after that day. It is apparent, therefore, that the matter will be considered by Congress at the com-

Recommendations Repeated.

The Commissioners earnestly repeat their ecommendations that the Secretary of the Treasury be authorized to make advances from the United States funds to enable the District to meet its share of the cost of the extraordinary improvements, the advances to be repaid by the District in installments and with interest. This can be done by the District out of its current revenues without hampering current expenditures. It is sub-mitted that this is the usual and business-like way of dealing with such matters, and that if it is not adopted the District finances will be left in an uncertain and embarrassed condition, and the appropriation for current needs may have to be unduly cut down. This ought not to be done any more than the extraordinary projects for improvement should be suspended or aban-

doned.

The aggregate amount of the estimates submitted by the Commissioners for the next fiscal year is \$12,886,725 exclusive of those for the water department, which amount to \$132,756. This unusually large sum is not to be set down as annually required, for the sum of \$4,625,155 is chargeable to the account of extraordinary improvements which Congress and circumstances require shall be appropriated next year. The items making up this amount are as The items making up this amount are as follows: Sewers and sewage disposal sys-District building, \$700,000; Connecticut Avenue Bridge, \$200,000; Anacostia Bridge, \$100,000; municipal hospital, \$150,000. In the estimates for current expenditures sub-mitted to the Commissioners through official channels the Commissioners made all practicable reductions, amounting to over a million dollars in the aggregate, leaving the amount recommended \$8,261,570 on this ac-

The estimated revenue of the District of Columbia for the next fiscal year is \$4,730,-935.10. Deducting from this a reasonable installment, amounting to one-fifth of the amount of the advances that will probably have been made by the 1st of July next. which amount is estimated at \$2,000,000, with the interest payment thereon, together with a payment of \$150,000 on account of the District's contribution to the terminal work of the Baltimore and Ohio Railroad Company, there will remain the sum of \$4,140,935. Doubling this amount by adding the share of the United States under the organic act of June 11, 1878, we have an appropriation fund of \$8,281,870, or more than is required by the estimates for current expenditures.

It is hoped by the Commissioners that Congress will make a settlement of this matter, that will cover at least a decade to come, on the principles which they have

Committee to Suggest Improvements in

the District Service. On the 12th day of August, 1903, the Commissioners appointed Dr. W. C. Woodward, health officer, John R. Garrison, auditor, and Moncure Burke, of the engineer department, a committee to examine all the departments of the government of the District of Columbia, and report on their condition and their method of doing business with a view to suggesting improvements. Similar examinations have been made in particular offices by committees of officials, but no such general and compre-

hensive examination.

It is believed by the Commissioners that this committee will be able to suggest improvements to be made, either by order of the Commissioners of by action of Congress, which will prove beneficial to the District service. All the recommendations of the Commissioners to Congress for the improvement of the District services have not been carried out, and in the course of twenty-five years, during which the Dis-trict government has been gradually en-larged, chiefly by detached provisions in different appropriation acts to meet the most pressing needs as they appeared from time to time, there has not been a uniform development of all the branches of the government, so that some are more modern method, better equipped in personnel

and facilities than others. Memorial Bridge.

The Commissioners desire to record once more their belief that the proposed memorial bridge from Washington across the Potomac River to Arlington should be constructed by the National Government in accordance with recommendations heretofore made by the President of the United

Civil Service.

As the President of the United States. according to the Attorney General of the United States, is not authorized under the civil service act to extend the civil service rules over the District gevernment, because, under the decisions of the Supreme Court of the United States, the District of Columbia is a municipal corporation and not a part of the Government of the United States, the Commissioners recommend once for the government of the District of Columbia. Most of the large municipalities of the country now have such a law, and there is no apparent reason why the Dis-trict government should be excepted from the advantages of it. The Commissioners have maintained a merit system of appointment and promotion, but it has no legal protection; and the examinations which the 1900 and the normal rate of increase the Commissioners require for the police and Commissioners estimate the population of the District to be approximately 295,000.

Extraordinary Projects and Current ter of courtesy and can not be required of

office of secretary of the District of Co-lumbia be established, and that the in-cumbent be authorized to act in the case of the disability or death of either of the civil Commissioners. If this is not done, they recommend that contracts for construction work, like all others, shall be valid when signed by a majority of the

Celebration of the Fourth of July.

In accordance with the general desire of the citizens of the District of Columbia, the first official celebration of Independence Day in the District of Columbia under the present form of government was successfully held on the 4th of July last. The Commissioners on the 19th day of May, 1903, appointed a committee of arrangethe Treasury of the United States to the District, to be repaid with interest, to meet any deficiency in the District revenues on the general account, including both extraordinary and current account, including both extraordinary and current account. approval and co-operation, and authorized the use of the White House grounds for the public meeting, which he was unable to at-tend because of absence from the District. The War and Navy departments responded heartily to the requests of the committee heartily to the requests of the committee of arrangements, and the officer in charge of public buildings and grounds rendered valuable service. In the morning of the day a procession, composed of United States troops, sailors and marine, ordered to Washington for the purpose, and the District National Guard, of which Gen.-S. B. M. Young was grand marshal, marched from the Capitol to the White House, where, on the northeast lawn, a public meeting, attended by several thousand ladies and gentlemen. by several thousand ladies and gentlemen, was held. The president of the board of Commissioners presided, addresses were made by the Ambassador of France and the Secretary of the Navy. Admiral George Dewey introduced the reading of the Declaration of Independence by Barry Bulkley. Rev. D. J. Stafford, D. D., made the invo-cation, and Rev. T. S. Hamlin, D. D., pro-nounced the benediction. Patriotic songs were sung by an adult chorus, by public-school children, and by all present, led by the Marine Band.
In the evening an elaborate display of

aerial fireworks was made at the Washing-ton Monument. The money for the expense was provided by popular subscription.

District Building.

The action of Congress at the last ses sion, in accordance with the recommenda tion of the Commissioners, in transferring the title of the site acquired for the District building from the United States, in whose name it was taken, to the District of Columbia, and, further, in increasing the limit of cost for the site and building from \$1.500,000 to \$2,000,000, was gratifying to the Commissioners and to the community.

Military and Naval Appointments.

sioners recommended that the District of Columbia representation among the cadets at the Military Academy at West Point and the Naval Academy at Annapolis, should be doubled. Congress accordingly provided that the District should hereafter have two midshipmen at the Naval Acadgress will take similar action in respec to the Military Academy. It is believed that the population of the District of Columbia, its unique situation and character and the fact that the President of the United States, by custom, selects the young men to be appointed at large to the two academies from among the sons of officers of the Army and Navy, entitle the District to

Reports on Pending Legislation.

According to custom, the Commissioners received and reported upon bills relating to the District of Columbia introduced in Congress at the second session of the Fiftyseventh Congress and referred to them for report by committees of the Senate and House. From the Senate 92 bills were re-ferred and from the House 81 bills were re-ferred to the Commissioners. All bills reating to the District of Columbia which passed both houses were referred, according to custom, to the Commissioners by the President for their objections before the President approved them.

Funeral of Former Governor Shepherd.

The Commissioners having been notified that the remains of Alexander R. Shepherd, formerly governor of the District of Columbia, would be brought from his residence in Mexico, Batopilas, Chihuahua, to be interred near his former home, appointed a committee of prominent citizens, with William F. Mattingly as chairman, to make the necessary preparations for the funeral. The remains, accompanied by Governor Shepherd's family, arrived on the morning of the 4th day of May, 1903, and were escorted by the Commissioners, the committee of arrangements and other citizens, together with a portion of the National Guard and the High School Cadets, to the New York Avenue Presbyterian church, of which Gov-crnor Shepherd was a member, where they lay in state until the afternoon, when funlay in state until the afternoon, when funeral services, attended by the Commis sioners, the committee of arrangements and a large number of other citizens, were held, after which the remains were taken to Rock Creek Cemetery and placed in the family Creek Cemetery and placed in the family vault. The committee on a memorial for Governor Shepherd has received a considerable subscription of money and is preparing to erect a statue of Governor Shepherd, which the Commiss oners think should be placed in front of the new District building.

Board of Education.

The public schools of the District of Columbia were never so good or so well housed and equipped as now, and the work done during the past year deserves praise. This is the most important interest of the District of Columbia, and calls for the largest amount in the annual appropriations. The Commissioners in their estimates have recommended all that seemed practicable to recommend at this time for the necessary increase of buildings and other facilities and for debuildings and other facilities and for desirable increase in the inadequate salaries of teachers. The Commissioners particularly recommend the estimates for the erection of the Business High School, for the extension of the McKinley Manual Training School, and for the purchase of a site for the extension of the Armstrong Manual Training School. With the steady increase in the number of public school buildings there has been a corresponding buildings there has been a corresponding decrease in the number of those for whom accommodations could not be found, so that none who apply are turned away, and it is practicable now to consider a substitute for the ineffective compulsory educa-tion law, and the Commissioners may later submit such a proposition to Congress, so as to bring into the schools those who ought to be there and who do not come oluntarily.
The only change in the membership of the

teachers, including supervising principals, was 173, and the number of female 'eachers 1,198. The relatively small number of men employed in the service of the public schools is due to the small salaries paid to men teachers in this District and the greater pecuniary inducements offered by the various departments and scientific bureaus of the Government to educated young men. The schools were in session 174 days. There were 1,843 pupils enrolled in the right schools, which were in session 48 nights, and engaged the services of 52 teachers. Of the entire enrollment of the schools 1,776, or 3.64 per cent, were in the kindergartens; 43,310, or 88.85 per cent, kindergartens; 43,310, or 88.85 per cent, were in the first eight grades; 2,673, or 5.48 per cent, were in the high schools; 816, or 1.68 per cent, in the manual training schools, and 170, or 0.35 per cent, in the normal schools

Number of School Buildings.

There were 127 owned school buildings in the District of Columbia. In the early part of the school year the McKinley Manual Training School, the Armstrong Manual Training School, the Matthew G. Emery (12 rooms), the Thos. P. Morgan (8 rooms), the Petworth (4 rooms), the Kenilworth (4 rooms), for white children, and the John M. Langston (8 rooms) and the William Syphax (8 rooms) for colored children were dedicated with appropriate ceremonies under the charge of the committee on buildings repairs and the committee on buildings, repairs, and sanitation. It is expected that in 1903 the Edmonds School (8 rooms), the Samuel E. Wheatley (8 rooms), a 4-room addition to the Brookland School, a 4-room addition to the Cranch School, a 4-room addition to the Tagona School, a 4-room addition to to the Cranch School, a 4-room addition to the Tacoma School, and a 4-room building at Good Hope, all for white children, and the Abby S. Simmons School (8 rooms), the Henry P. Montgomery School (8 rooms). and the Reno school (4 rooms) for colored pupils will be completed and occupied, thus adding accommodations for 2,070 pupils, estimating 45 pupils to each room, and reducing still further the number of enforced half-day schools in these localities.

The superintendent of schools says in his

nair-day schools in these localities.

The superintendent of schools says in his annual report: "It may be said of the buildings completed and occupied during the year and of those under contract that, although they do not represent as large an outlay as in some cities, they are creditable examples of school architecture, and in the essentials of light, heating, artificial ventilation, tollets, and conveniences genin the essentials of light, heating, artificial ventilation, toilets, and conveniences generally for pupils are a great advance upon some of our older buildings. None of the schools erected since the organization of the present board of education are without the necessary appliances for forcing a constant supply of fresh air into every school room in such volume and at such a rate of speed as to meet the most exacting scientific requirements as to the renewal entific requirements as to the renewal of air in school rooms.
"Expressed in terms of its beneficial and

permanent influence on the health of teachers and pupils, all other improvements that have really been made in school house construction are of minor importance to that of improved ventilation."

Additional accommodations for the graded schools are needed in Georgetown, where an 8-room building should be erected near the Curtis; in the extreme northeastern section beyond Fifteenth street east, at Chevy Chase, at Benning, at Anacostia, at Tenley, and to relieve the Columbia Heights and Mount Pleasant schools. The Commission will be acled to world for those in the columbia to the columbia to the columbia to the columbia. sioners will be asked to provide for these in

stoners will be asked to provide for these in their next estimates.

Another pressing need at this time is that for an extension of the McKinley Manual Training School. This building, with a seating capacity of 251, carried through the year an enrollment of 457 punils making it necessary to house over 200 of them in the Central High School, at great incon-venience to both schools. For the coming year conditions will be much more serious, as the enrollment of the school promises to reach nearly 550, while the corresponding growth of the Central High School will make it impossible for the latter school to surrender as many of its class rooms to the uses of the manual training school were devoted to that purpose during the year just closed.

The estimate of \$135,000 for additional class rooms was based upon plans made at the time the original building was projected. A similar need exists for additional class rooms in the Armstrong Manual Training School. The only unimproved ground available for the erection of an addition lies east of the present structure. It has been offered to the District at a reascnable price, and should be purchased and held until an addition to the present build-

ing can be authorized.

The Normal School. The Commissioners again urge the importance of making provision for a permanent and adequate home for the Washington Normal School. The work of this school, which has always been of a high order, is all the more praiseworthy when we come to know that it has been accomplished while the school has been occupying temporary quarters in a building in nowise suited to the uses of a training school. The plan of securing a large plot of ground north of Florida avenue on which to place first an elementary school, already needed, and in due time a modern normal school building, with ample space for school gardening and playgrounds, is indorsed by the poard of education, and has been approved by the local Citizens' Association It is earnestly hoped that the clause in the appropriations act which has been in force for the last two years restricting the membership of night schools to persons not over 21 years of age will be stricken out. as it works hardship to many worthy people whose early efforts to obtain an education were defeated by misfortune or pov-erty, and whose zeal for knowledge and willingness to make sacrifices to get it ap-peal strongly to all who have their welfare at heart. The Commissioners know of no city which excludes adults from the privi-

eges of the night school. Board of Charities. The Board of Charities, whose members serve without salary, has done important and valuable work in the three years of its existence. The Commissioners ar glad to renew their approval of the policy and recommendations of :e board, and to express the hope that Congress, which created this board for the purpose of improving the public charitable system, will act in accordance with its suggestions.

The appropriations for charities form the second largest item in the District budget, and in their expenditure affect directly or i directly some of the most vital interests of the community, and they should be made and expended in accordance with the best practice and a uniform and constant policy. The Commissioners believe that the Board of Charities and the Board of Children's Guardians should be appointed by the Commissioners, and that all charitable institutions which can properly be considered public should be directly under the control of the Commissioners. general principles which it has urged in former reports and makes a plea for ac-tion by Congress indicating a definite permanent policy in dealing with District

charities. The importance of marking clearly the line between public appropriation and private benevolence is again pointed out, and estimates have been prepared with a view to eliminating from the appropriation bill such institutions as, in the judgment of the Board, should properly be supported by private contributions, and the proper adjustment to a general system of such other in-stitutions as probably would be unable to maintain themselves by private charity. It is urged again that the control and management of the local charities should be

MESSAGE TO CONGRESS

The President Reviews National Conditions.

LEGISLATION THAT NEEDED

Gives Provisions of the New Treaty With Panama.

GOVERNMENT'S COURSE JUSTIFIED

The country is to be congratulated on the amount of substantial achievement which has marked the past year both as regards our foreign and as regards our domestic policy.

With a nation as with a man the most mportant things are those of the household, and therefore the country is especially to be congratulated on what has been accomplished in the direction of providing ublicity of such proceedings of these great corporations as the public has the right to know. It has provided for the expediting of suits for the enforcement of the Federal antitrust law; and by another law it has secured equal treatment to all producers in the transportation of their goods, thus making a long stride forward in making effective the work of the Interstate Com-

merce Commission. Department of Commerce and Labor.

The establishment of the Department of Commerce and Labor, with the Bureau of Corporations thereunder, marks a real advance in the direction of doing all that is possible for the solution of the questions vitally affecting capitalists and wageworkers. The act creating the Department was approved on February 14, 1903, and two days later the head of the Department was nominated and confirmed by the Senate. Since then the work of organization has been pushed as rapidly as the initial appropriations permitted, and with due regard to thoroughness and the broad purposes which the Department is designed to serve. After the transfer of the various bureaus and branches to the Department at the beginning of the current fiscal year, as provided for in the act, the personnel comprised 1,289 employees in Washington and 8,836 in the country at large. The scope of the Department's duty and authority embraces the commercial and industrial interrestrict or control the fullest liberty of exact and authentic information which will aid the Executive in enforcing existing laws, and which will enable the Congress to enact additional legislation, if any should be found necessary, in order to prevent the few from obtaining privileges at the expense of diminished opportunities for

the many. Bureau of Corporations.

The preliminary work of the Bureau of Corporations in the Department has shown the wisdom of its creation. Publicity in corporate affairs will tend to do away with ignorance, and will afford facts upon which intelligent action may be taken. Systematic, intelligent investigation is already developing facts the knowledge of which is essential to a right understanding of the needs and duties of the business world. The corporation which is honestly and fairly organized, whose managers in the conduct of its business recognize their obligation to deal squarely with their stockholders, their competitors, and the public, has nothing to fear from such supervision. The purpose of this Bureau is not to embarrass or assail legitimate business, but to aid in bringing about a better industrial condition-a condition under which there shall be obedience to law and recognition of public obligation by all corporations, great or small.

Functions of New Department. The Department of Commerce and Labor will be not only the clearing house for information regarding the business transactions of the Nation but the executive arm of the Government to aid in strengthening our domestic and foreign markets, in per-

fecting our transportation facilities, in building up our merchant marine, in preventing the entrance of undesirable immigrants, in improving commercial and industrial conditions, and in bringing together on common ground those necessary partners in industrial progress-capital and labor. Commerce between the nations is steadily growing in volume, and the tendency of the times is toward closer trade relations. Constant watchfulness is needed to secure to Americans the chance to participate to the best advantage in foreign

To the Senate and House of Represen- | attempted; but a common-sense and successful effort was made in the direct on of seeing that corporations are so handled as to subserve the public good. The legislation was moderate. It was characterized throughout by the idea that we were not attacking corporations, but endeavoring to provide for doing away with any evil in them; that we drew the line against misconduct, not against wealth; gladly recognizing the great good done by the capitalist who alone, or in conjunction with his felfor the exercise of supervision over the lows, does his work along proper and legitigreat corporations and combinations of mate lines. The purpose of the legislation, corporations engaged in interstate com- which purpose will undoubtedly be fulfilled, merce. The Congress has created the De- was to favor such a man when he does partment of Commerce and Labor, includ- well, and to supervise his action only to ing the Bureau of Corporations, with for prevent him from doing ill. Publicity can the first time authority to secure proper | do no harm to the honest corporation. The light, and about the welfare of such corporations we need not be oversensitive. The work of the Department of Commerce and Labor has been conditioned upon this theory, of securing fair treatment alike for labor and for capital.

Capital and Labor.

The consistent policy of the National Government, so far as it has the power, is to hold in check the unscrupulous man, whether employer or employe; but to refuse to weaken individual initiative or to hamper or cramp the industrial development of the country. We recognize that this is an era of federation and combination, in which great capital stic corporations and labor unions have become factors of tremendous importance in all industrial centers. Hearty recognition is given the far-reaching, beneficent work which has been aocomplished through both corporations and unions, and the line as between different corporations, as between different unions, is drawn as it is between different individuals; that is, it is drawn on conduct, the effort being to treat both organized capital and organized labor al ke; asking nothing save that the interest of each shall be brought into harmony with the interest of the general public, and that the conduct of each shall conform to the fundamental rules of obedience to law, of individual ests of the Nation. It is not designed to freedom, and of justice and fair dealing towards all. Whenever either corporation, legitimate business action, but to secure labor union, or individual disregards the others, whether corporations or individuals, then where the Federal Government has jurisdiction, it will see to it that the misconduct is stopped, paying not the slightest heed to the position or power of the corporation, the union or the individual, but only to one vital fact-that is, the question whether or not the conduct of the indiv.dual or aggregate of individuals is in ac-

cordance with the law of the land. Every man must be guaranteed his liberty and his right to do as he likes with his property or his labor, so long as he does not infringe the rights of others. No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it. Obedience to

the law is demanded as a right; not asked as a favor. We have cause as a nation to be thankful for the steps that have been so successfully taken to put these principles into effect. The progress has been by evolution, not by revolution. Nothing radical has been done; the action has been both moderate and resolute Therefore the work will stand. There shall be no backward step. If in the working of the laws it proves desirable that they shall at any point be expanded or amplified, the amendment can be made as its desirability is shown. Meanwhile they are being administered with judgment, but with insistence upon obedience to them; and their need has

been emphasized in signal fashion by the events of the past year. Receipts and Expenditures.

From all sources, exclusive of the postal service, the receipts of the government for \$506,099,007, the surplus for the fiscal year being \$54 297,667. The indications are that the surplus for the present fiscal year will be very small, if indeed there be any surplus. From July to November the receipts from customs were, approximately, nine million dollars less than the receipts from the same source for a corresponding portion of last year. Should this decrease continue at the same ratio throughout the fiscal year, the surplus would be reduced by, approximately, thirty million dollars, Should the revenue from customs suffer much further decrease during the fiscal year, the surplus would vanish.

Economy in Appropriations.

A large surplus is certainly undesirable,