IS TO PLEASE ALL CLASSES

uld Delay Tariff Legislation Until After the Presidential Election-Wants Currency Changes.

sation has greater resources than ours, I think it can be truthfully said that I think it on batton possess greater en-ditents of no nation possess greater en-ditents of no nation and industrial ability. In no nation and endamental business conditions

eidens of no nation and industrial ability. In no mation the fundamental huminess conditions det than in ours at this very moment; it is foolish, when such is the case, for it is foolish, when such is the case, for phile based money instead of keeping a sound banks; for it is such hoarding a sound banks; for it is such hoarding is the immediate occasion of momey is the immediate occasion of momey nearly Moreover, as a rule, the husiness and this applies allke to farms and bity, and this applies allke to farms and bity and this applies allke to farms and bity and this applies allke to far as many people is conducted with honesty and bits to railreads and banks, to all our limate commercial enterprises. If the effort to punism the guilty it is a the effort to punism the guilty. Yet a have been misled by the guilty. Yet a have been misled by the guilty. Yet a have been misled by the guilty. Yet a not possible to refrain because of auch rest from striving to put an end to the stead that are the ultimate causes of the stead that are the ultimate causes of the stead that are the ultimate for any dovernmental policies; arealy there can be no such differences There may be honest differences of lon as to many dovernmental policies, sately there can be no such differences to the need of unfinching perseverance to war against successful dishonesty, INTERSTATE COMMERCE.

the art against successful dishoneasy. INTERSTATE COMMERCE. INTERSTATE COMMERCE. INTERSTATE COMMERCE. In an approximation of the trouble that we ecomes from carrying to an extreme National virtue of self-reliance, of inde-dence in initiative and action. It is to conserve this virtue and to provide in fullest exercise, compatible with see-that therity does not become a liberty wrong others. Unfortunately, this is the of liberty that the lack of all effective is control of interstate commerce. Are was then practically no interstate and this the National Government at the proceeded to regulate in thoroughgoing the and this the Stational Government and be usiness concerns are now en-ore by water is inalgolificant compared in the states, such as the interstate com-rece by water is inalgolificant compared in the states commerce. As a result, as he but partially and imperfective results the states, such action of any so the estenal states, when action in-the the estenal states, when action in-the the estenal states, but he action of any so the estenal states, only the National worment an in thoroughgoing fashion in that there should be any extending in-the the state of using the state of the state of the headed control. This does not worment and the the constitution in-worment and the the Constitution inan that there should be any extension a darm authority, for such authority at ady sxists under the Constitution I. pless and must far-reaching form; bu does mean that there should be an exten-n of Federal activity. This is an of Federal activity. This is not ad scaling centralization. It is merely look facts in the face, and realizing that on in business has already cannot be avoided or undone, and large can only protect itself public at least effects of this business maintains by providing better methods the services of control through the nexts already centralized in the National

prenament by the Constitution Steelf. To confer upon the National Government, connection with the amendment 1 advothe anti-trust law, power of super don over big business concerns engaged interstats commerce, would benefit them it has benefitted the National banks in recent business origin it is noteworth; utions which failed were inliutions which were not under the super-tion and control of the National Govern-test Those which were under National

AUME UT MEDDAULT Sident's Communication is conservative Document. Is TO PLEASE ALL CLASSES of the wage worker must ever be a cardinal point of American policy. The question should be approached purely from a busi-ness standpoint; both the time and the manner of the change being such as to arouse the minimum of agitution and disarouse the minimum of agtistion and dis-turbance in the business world, and to give the least play for selfish and fac-tional motives. The sole consideration should be to see that the sum total of changes represents the public good. This means that the subject cannot with wisdom be dealt with in the year preceding the dealt with in the year preceding

a Presidential election, because as a matte 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 ch election.

INCOME AND INHERITANCE TAX.

When our tax laws are revised the question of an income tax and an inheritance tax should receive the careful attention of our legislators. In my judgment both of these taxes should be part of our system of Fed-eral taxation. I speak difficently about the legislators. In my judgment both of these taxes should be part of our system of Fed-eral taxation. I speak diffidently about the income tax was declared unconstitutional by the Supreme Court: while in addition it is a difficult fax to administer in its practical working, and great cars would have to be exercised to see that it was not evaded by the very men whom it was most desirable to have taxed, for if so evaded it would, of course, be worse than no tax at all; as the least desirable of all taxes is the tax which bears neevily upon the honest as com-pared with the distincest man. Neverthe-leas, a graduated income tax of the proper type would be a desirable feature of Federal taxation, and it is to be hoped that one may be devised which the Supreme Court will declars constitutional. The inheritance tax, however, is both a far better method of tax-ation and far more important for the pur-pose of having the fortunes of the country hear in propertion to their increase in size a corresponding increase and burden of tax-ation. The Government has the absolute right to decide as to the terms upon which a man shall receive a bequest or devise from another, and this point in the devolution of property is especially appropriate for the imposition of a tax. Laws imposing such taxes have repeatedly been placed upon the National statute books and as repeatedly declared constitutional by the courts; and these laws contained the progressive princi-ple, that is, after a certain amout is reached the bequest or gift, in life or death. ple, that is, after a certain amount is reached the bequest or gift. In life or death, is increasingly hurdened and the rate of taxation is increased in propertion to the remoteness of blood of the man receiving the bequest

ENFORCEMENT OF THE LAW.

A few years ago there was loud com plaint that the law could not be invoke against wealthy offenders. There is no suc complaint now. The course of the De partment of Justice during the last fev-years has been such as to make it eviden that no man stands above the law, that n that no man stands above the law, that no corporation is so wealthy that it examp the held to account. The Department of Justice has been as prompt to procee against the wealthiest malefactor whos crime was one of greed and cunning as t proceed against the agitator who incite to brutal violence. Everything that can b done under the existing law, and with th existing state of public opinion, which so profoundly influences both the courts an juries, has been done. But the laws them selves need strengthening in more than on important point, they should be made more important point; they should be made more definite, so that no honest man can be ied unwittingly to break them, and so that the real wrongdoer can be readily punished

INJUNCTIONS.

Instances of abuse in the granting of it functions in labor disputes continue to the eur, and the resentment in the minds those who feel that their rights are being invaded and their liberty of action and of speech unwarrantably restrained continues likewise to grow. Much of the attack of the use of the process of injunction is w the use of the process of injunction is whony 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 one of prime importance, and unless the courts will themselves deal

delicate tasks before our whole civilization. Much of the work for the accomplishment of this end must be done by the individuals concerned themesives, whether singly or in combination; and the one fundamental fact that must never be lost track of is that the character of the average man, whether he be a man of means or a man who works with his hinds, is the most important factor in solving the problem aright. But it is al-most equally important to remember that without good laws at is also impossible to reach the proper solution. It is idle to hold that without good laws evits such as child inbor, as the over-working of women, as the failure to protect employes from loss of

inhor, as the over-working of women, as the failure to protect employes from loss of life or linh, can be effectively reached, any more than the svils 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, be-cause otherwise the dishonest who surely will take advantage of them will have every-thing their own way. If the states will cor-rect these evils, well and good, but the Nation must stand ready to aid them. Farmers and Wage-Workers.

Nation must stand ready to aid them. Farmers and Wage-Workers. When the Department of Agriculture was founded there was much sheering as to its usefulness. No department of the Govern-ment, however, has more emphatically vindi-cated its unefulness, and none save the ment, however, has more emphrically viali-cated its unefulners, and none may the Postoffice Department comes so continually and infimately into touch with the people. The two cilizens whose weifare is in the aspregate most vital to the weifare of all other cilizens, are the wage-worker who does manual labor and the illier of the soil, the farmer. There are of course kinds of 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 de-mand 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 soild, healthy qualities which make up a really great nation the buik of the people should heating qualities which make up a really great nation the bulk of the people should do work which cails for the exercise of both hody and mind. Frogress can not pe ma-nently exist in the abandonment of physi-cal labor, but in the development of physi-cal labor, so that it shall represent more and more the work of the trained mind in the trained hody.

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 box 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 agricul-ture in the country. The calling of the skitled tiller of the soil, the calling of the skitled mechanic, should allke be recor-nized as professions, just as emphatically as the callings of iswyer, doctor, merchan or clefk. The schools should recognize this fact and it should equally be recognized in popular opinion. The young man who has reputar opinion. The young man who has he farsightedness and courage to recognize t and to get over the idea that it makes a lifference whether what he earns is called salary or wages, and who refuses to entot the crowded field of the so-called profes stons, and takes to constructive industry in sions, and takes to constructive industry in-stead, is reasonably sure of an ample re-ward in carrings, in health, in opportunity to marry early, and to establish a home with a fair amount of freedom from worry. If 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 eco-manic world, and increfore the dignity.

nomic world, and therefore the dignity, the remuneration, and the power of their contilons in the social world

positions in the social world The grain-producing industry of the country, one of the most important in the United States, deserves special consider-ation at the hands of the Congress. Our grain is sold almost exclusively by grades. To secure satisfactory results in our home markets and to facilitate our trade abroad grades should approximate the high est degree of uniformity and certainty, present diverse methods of inspection grading throughout the country under Th ferent laws and boards, result in confu-sion and lack of uniformity, destroying that sion and lack of uniformity, destroying that confidence which is necessary for health-ful trade. Complaints against the present methods have continued for years and they are growing in volume and intensity, no: enly in this country but abroad. I there-fore suggest to the Congress the advisability of a National system of inspection and grading of grain entering into inter state and foreign commerce as a remed. for the present

carried to an excess it becomes foolishness. We are prone to speak of the resources of this country as inexhaustible; this is not so. The mineral wealth of the country, the cost, iron, oil, gas, and the like, does not reproduce itself, and therefore is certain to be exhausted ultimately; and wastofol-ness in dealing with it today means that our descendants will feel the exhaustion a generation or two before they otherwise would. But there are certain other forms of wasts which could be en irely stopied-the waste of soil by washing. for instance, which is among the most dangerous of all wastes now in progress in the United States, is early preventable, so that this present anormous loss of fertility is entirely un-necessary. The preservation or replacement of the forests is one of the most important means of preventing this loss. We have made a beginning this loss. We have in the formate is done of an industry in the United States, and yet, so rapid has been the fate of axhaustion of timber in the United States in the past, and eo rapidly is the remainder being exhausted, that the coun-try is unquestionably on the verse of a timber function which will be fell means

remainder being exhausted, that the coun-try is unquestionably on the verge of a timber famines which will be felt in every household in the iand. There has already been a rise in the price of lumber, but there is certain to be a more rapid and heavier rise in the future. The present annual consumption of lum-ber is certainly three times as great as the annual growth; and if the consumption and growth continue unchanged, practically all our lumber will be exhausted in another generation, while long before the limit to complete exhaustion is reached the growing scarcity will make itself felt in many blight-tage ways upon our National weifare. About scarcity will make itself felt in many blight-ing ways upon our National weifars. About 20 per cent of our forest territory is now re-served in National forests; but these do not include the most valuable timber lands, and in any event the proportion is too small to expect that the reserves can accomplish more than a mitigation of the trouble which is shead for the Nation. Far more drastic action is needed. Forests can be lumbered so as to give to the public the full use of their mercantle timber without the slight-est detriment to the forest, any more than it is a detriment to a farm to furnish a harvest; so that there is no parallel betweet it is a derivation to the forest, any note that harvest; so that there is no parallel betweet forests and mines, which can only be com-pletely used by exhaustion. But forests, if used as all our forests have been used in the past and as most of them are sill used, will be either wholly desiroyed, or so dam-aged that many decades have to pass befor-effective use can be made of them again. All

aged that many decades have to pass before effective use can be made of them again. All these facts are so obvious that it is extra-ordinary that it should be necessary to re-past them. Of course to check the waste of timber means that there must be on the part of the public the acceptance of a temporary re-striction in the lavish use of the timber, in order to prevent the total loss of this use in the future. There are plenty of men in public and private ilfe who actually advo-cate the continuance of the present system of unchecked and wasteful extravagance. using as an argument the fact that to check it will of course mean interference with the same and comfort of certain people who now get lumber at less cost than they ought to pay, at the expense of the future genera-tions. Some of thene persons actually de-mand that the present forest reserves be thrown open to destruction, because, for-sooth, they think that thereby the price of lumber could be put down again for two or three or more years. Their attitude is pre-cisely like that of an agilator protesting against the outlay of money by farmers on cisely like that of an agitator protesting against the outlay of money by farmers on manure and in taking care of their farms generally.

MINERAL LANDS.

minimized provide the result of the coal deposit about the solution of the conserved and not the solution of the solution should be solution the solution the solution should permit the solutions and the solution should permit coal is and to be solutions the solution of the solution should permit coal is and to be solutions the solution of the solution should permit coal is and to be solutions the solution the solution the solution should permit coal is a solution the solution should be solutions and the solution should permit coal is and to be solutions the solution the solution the solution the solution should permit coal is and to be solutions and the solution the s coal.

THE PANAMA CANAL.

THE PANAMA CANAL-Work on the Panama Canal is proceeding in a highly satisfactory manner. In March last, John F. Stevens, chairman of the Commission, and chief engineer, resigned, and the Commission was reorganized and constituted as follows: Lieutenant-Colonel Course W. Couthals Corps of Engineers George W. Goethals, Corps of Engineers, United States Army, chairman and chief engineers, Major D. D. Gaillard, Corps of Engineers United States Army; Major William L. Sibert, Corps of Engineers, United States Army, Civil Engineer H. H. Rous-seau, United States Navy; J. C. S. Black-burn: Colonel W. C. Gorgas, United States Army, and Jackson Smith. Commissioners This chaftee of authority and direction went into effect on April 1, without causing a per-ceptible check in the progress of the work. **POSTAL AFFAIRS.** Into effect on April 1, without causing a perceptible check in the progress of the work. POSTAL AFFAIRS.
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 sconnony and thrift, and by the use of postal savings banks to give them an opportunity to husband their resources, partfeularly those who have not the facilities at hand for depositing their money in savines banks. Viewed, howver, from the experience of the past few weeks, it is evident that the advantages of such an inati-tition 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 working men their auch got the deposition of the fost deposition of the postal savings banks; individuals have hoarded their cash and the working men their auch money would be restored to the channels of trade, to the mutual benefit of capital and fabor.
Truther commends to the commend and have.
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 fabor.
Truther commend to the comparise the commendation for the extension of the postal solution of the Postmater-Generate recommendation for the the time of chick in obtaining their supplies. These recommendations have the advantages of cherwise, I should not favor them, for I believe that it is good policy for our Government to do everything postible to ald the small down and the country alteries about a should not be avertable that the country merchant should not be called out.

movement of passengers between Hawall and the mainland. Unless the Congruss is properties of poper facilities in the way of shipping between Hawall and the mainland, then the construine should be so far released as to prevent Hawall suffering as it is now suffering. I again call your attention to the capital importance from every standpoint of misking Pearl Harbor scalable for the largest deep-water vesses and of suffering the Island.
The Secretary of war has gone to the Philpippins. On the falands.
The Secretary of war has gone to the Philpippins the recommend that the rights of either the to comment the submit to you attention the recommend that the rights of either the second the stands.
A burgen of mines should be created under the submit to you attention to the falands.
A burgen of mines should be created under the submit to you attend the properties to try to devise any plan for which there was the slightest possibility

Not only there is not now, but there never has been, any other nation in the world so wholly free from the evils of militarism as is ours. There never has been any other large nation, not even China, which for so long a period has had relatively to its num-hers so small a regular army as has ours. Never at any time in our history has this Nation suffered from militarism or been in the remotest danger of suffering from mili-tarism. Never at any time of our history has the regular Army been of a size which caused the slightest appreciable tax upon caused the sliphtest appreciable tax upon the taxpuying citzens of the Nation. Al-most slways it has been too small in size and underpaid Never in our entire history has the Nation suffered in the least particutar because too much care has been given to the Army, too much prominence given it, too much money spent upon it, or because it has been too large. But again and again we too much money spent upon it. Or because it has been too large. But again and again we have suffered because enough care has not been given to it, because it has been too small, because there has not been sufficient preparation in advance for possible war. Every foreign war in which we have en-gaged has cost us many times the amount, which, if wisely expended during the preced-ing years of peace on the regular Army, would have insured the war ending in but a fraction of the time and but for a fraction of the cost that was actually the case. As a Nation we have always been shortsighted in providing for the efficiency of the Army in time of yeace. It is nobody's especial in-terest to make such provision and no one looks ahead to war at any period, no mal-ter how remote, as being a serious possi-bility: while an improver economy, or fath-er niggardlinees, can be practiced at the ex-pense of the Army with the certainty that er Alggardiness, can be practiced at the ex-pense of the Army with the certainty that those practicing it will not be called to ac-count therefor, but that the price will be paid by the unfortunate persons who hap-pen to be in office when a war does actually

Industry is always necessary, just as war Industry is always necessary, just as war is sometimes necessary. Each has its price, and industry in the United States now ex-acts, and has always exacted, a far heavier toil of death than all our wars put to-gether. The statistics of the railroads of this country for the year ended June 30, 1906, the last contained in the annual sta-listed test of the interstate Commerce loos, the fast contained in the annual sta-tistical report of the Interstate Commerce Commission, show in that one year a total of 108.324 casuallies to persons, of which 10.618 represent the number of persons killed. In that wonderful hive of human killed. In that wonderful hive of human activity, Pittsburg, the deaths due to indus-trial accidents in 1006 were 919, all the ra-solt of accidents in mills, mines or on rall-roads. For the entire country, therefore, it is safe to say that the deaths due to indus-trial accidents aggregate in the neighbor-hood of 20,000 a year. Such a record makes the death rate in all our foreign wars ut-terly trivial by comparison. The number of deaths in battle in all the foreign wars put together, for the last century and a quarter, aggregate considerably less than one year's death record for our industries. A mere glance at these figures is sufficient to show the absurdity of the outery against militar-

the absurdity of the outery against militar-ism. The Medical Corps should be much larger 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 propare a medical corps of sufficient size to prevent the repetition of the same dis-aster on a much larger scale if we should ever be engaged in a serious conflict. The trouble in the Spanish War was not with the then existing officials of the War De-partment; it was which the representatives of the people as a whole who, for the pre-ceding 35 years had declined to make the necessary provision for the Army. Unless and the responsibility will not lie with those then in charge of the War is inevitable, and the responsibility will not lie with those then in charge of the War bepartment, but with those who now decline to make the in charge of the War Department, but with those who now decline to make the in charge of the War Department, but with those who now decline to make the inecessary provision. with those who now decline to make the necessary provision. Put the Medical Department is not the only department for which increased pro-vision 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 expected nervision should be made for estab-There slight be a relatively even greater increase in the pay for the enlisted men. An especial provision should be made for estab-lishing grades equivalent to those of war-rant officers in the Navy which should be open to the enlisted men who serve suf-detently 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 ques-tion of pay. The noncommissioned officer does not cor-respond with an unskilled laborer, he corre-respond to the best type of skilled workman or to the subordinate official in civil insti-tutions. 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 sergernt of a company, if a good man must be one of such executive and administative 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 contraction the set made. Then 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 erades for the first one or two enlistments. 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 merve long enough to make it evident that they inlend to stay perma-nently in the Army, while additional pay should be given for high qualifications in target practice. target practice. Among the officers there should be se-vere examinations to weed out the unfit up to the grade of Major. From that po-sition on appointments should be solely by selection and it should be understood that sition 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 pro-motion to the next grade should be forth-with retired. The practice marches and field maneuvers of the last two or three years have been invaluable to the Army. They should be continued and extended. A rigid and not a perfusion y examination of physical capacity has been provided for the higher grade officers. This will work well. Unless an officer has a good physique, unless he can stand hardship, ride well, and walk fahly, he is not fit for any position, even after he has become a Colonel. Before he has become a Colonei the need for physical fitness in the officer is almost as great as in the enlisted man. I hope speedily to see introduced into the Army a far more rigid and thoroughgoins test of horsemanship for all field officers than at present. There should be a Chief of Cavairy just as there is a Chief of Artillery. The such a bill has been provenue-Cutter service. Such a bill has been prepared, which it is hoped will meet with your farter and the benefit of the Army is a law to equalize and increase the pay of officers and emiliated men of the Army Navy. Marine Corps, and Revenue-Cutter service. Such a bill has been prepared, which it is hoped will meet with your farter and ficers is a mentaioned above. To make the Army more attractive to enlisted men, it is aboluting essential to create a service corps, such as exists in nearly every

constrained in all proper ways the development.
 A build on a build be available for the pressure of the states. The only plan that seemed the arguments the solution of the line and the species of power to the solution and the species of power to the solution of the states. The only plan the set of the solution of the set of the states are or assolution of our solutions of the states. The only plan the set of the solution of the states are on any interaction of arresteries to the set of the solution of the states. The only plan the states are on a solutions of the states. The only plan the set and the states of the solution of the states. The only plan the set and the states the solution of the states are on any interaction of the states. The only plan that seemed at all the solution of the states. The only plan that seemed at all feasible to build be most unwise for using a solution to base any boys of securing the solution of arrametics and densers which the states are on any interaction of a securing the solution of arrawtening of our Navy. The build one battleships of the section of the states are on any interaction of a securing the solution of arrawtening of our Navy. The build one battleships of the section at the states are on any interaction of array by the solution of arrawtening of our Navy. The build one battleships of the section and the states of the solution to base any boys of securing the solution of arrawtening of our Navy. The build one battleships that they seemed the states are build and the solution of arrawtening of our Navy. The build one battleships the stations and the states of the station of the stations and the sector. Which has a solution the state state of the stations are the solution to be seened for the stations and the sector. The sector all the stations of the sector are the solution to be seened at the states and most to sector.

Pacific coasts fortifications of the best type should be provided for all our greatest har-bors. Until our battle fleet is much larger than at present it should never be split into de-tachments so far spart that they could not in event of emergency be speedily united. Our coast line is on the Pa-cific just as much as on the Allan-tic The interests of California, Oregon and Washington are as emphatically the in-terosts of the whole Union as those of Malne and New York, of Lougians 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 betting Canal is built the transit of the battle fleet should now and then be moved to the Pacific, just as at other will be comparatively easy. Until the built, I carnestly hope that the battle fleet will be thus shifted between the two oceans every year or two. The markemanthip on all our ships has improved phenomenally during the squafron manevers under service conditions, and it is only during these last two or three years that the training under these conditions, and it is only during these last two or three years that the training whether and meet necessary stride in advance is now being taken. The battle fleet is about starting by the Straits of Mageilan to visit the Pacific Coast. Sixteen battleening are going under the command of Rear-Admiral Evans, while eight armored cruisers and two other battle-ships will meet him at San Francisco, wither certain torpedo destroyers are also pow to handle the fleet so as to meet every possible strain and emergency in time of war is to have them practice under similar con-ditions in time of peace. Moreover, the only way to find out our actual needs is to per-form in time of peace. Moreover, the only way to find out our actual needs is to per-form in time of peace whatever manevers might be meressary in time of war is to have them practice under similar con-ditions in time of peace. Moreover, the only way to find out our actual needs is to per-

is by practice at was, under all the conditions which would have to be met if war existed. If all that ought to be done cannot now be done, at least let a beginning be made. In my last three annual messages, and in a special message to the last Congress. the messity for legislation that will cause of-ficers of the line of the Navy to reach the grades of captain and rear-admiral at less advanced ages and which will cause them to have more sea training and experience in the highly responsible duiles of those grades, so that they may become thoroughly skillful in handling battleships, divisions, squadrons and firsts in action, has been fully explained and urgently recommended. Upon this subject the Secretary of the Navy fully explained and urgently recommended. Upon this subject the Secretary of the Navy has submitted detailed and definite recom-mendations which have received my ap-proval, and which, if enacted into law, will accomplish what is immediately neces-sary and will, as compared with existing law, make a saving of more than \$5,000,000 during the next area. during the next seven years.

The Hague. The Second International Peace Confer-

PURE FOOD LAW.

Incidentally, in the parsage of the pure-ed iaw the action of the various state and dairy commissioners showed in bod and dairy commissioners showed in triking fashion how much good for the hole people results from the hearty co-persion of the Federal and state officials securing a given reform. It is primarily the attion of these state commissioners hat we use the enactment of this law we one the enactment of this law: they aroused the people. first to demand exactment and enforcement of state of on the subject, and then the enact-of of the Federal law, without which he state laws were largely ineffective. Tars must be the closest co-operation be-ween the National and state governments a administering these laws.

CURRENCY.

message to Congress a year ago I

CUBRENCY. Is may message to Congress a year ago I piss as follows on the currency: I separatly call your attention to the con-tifies at our currency laws. The National and act has ably served a great purpose in dain the construction business development if the country, and within ten years there is been an increase in circulation per cup-if from 521.41 to 513.05. For several years idence has been accumulating them addi-tion at increase in circulation per cup-if the research emphasizes the defects if the present is we There must soon be a wision of them, because to leave them as here a fluctuation in the interest on call deny the main a period of os-interest is we are studied business inster. Ence your holy adjourned there we show a fluctuation in the interest on call deny from 2 per cent to 30 per cent, and a fluctuation was even, greater during the preseding his months. The Secretary of the meriant for the most violent period of os-intation. Even worse than such fluctuation is atop to the most violent period of os-intation. Even worse than such fluctuation the advance in commercial rates and the merianty feit in the suffiency of credit the advance in commercial rates and the merianty feit in the suffiency of credit interest from the interior banks into the spec-nation of the most violent period of os-interior is also continercial factes and the meriantion for a set within the pre-period. This depletes the fund that a fluctuation was even be for the spec-net of the mass of increased interest oney from the interior banks into the spec-net of the mass of increased interest at the shape of increased interest the to bar size of the the whole commercial tar, is the shape of increased interest there county. The mere statement of these facts shows at an present system is seriously defec-tion.

The country. The mere statement of these facts shows at our present system is scribusly defec-inately, however, many of the proposed hanges must be ruled from consideration cause they are complicated, are not easy temperature and tend to disturb satist-ing tights and interests. We must also rule tay plan which would materially impair to any the third planes to per con-tay of the third planes. The proposed would be of the third planes to be tay plan which would materially impair to any planes and tend to disturb satist-ing of the third planes. The planes which would are of the third planes which the value of the third planes which the value of the third planes which any creditable is the Treasury. I do not press any expected plane. Various planes while was may expected plane that the planes which houd receive your consideration is that re-stated brought to your attention by the stated brought to your attention by the present features of which have been ap-ment features of the Treasury, the es-prime mere According to this plan National de proportion of their capital in notes of press hind, the issue to be taxed at so the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to drive the notes back when the state as to d

Need for Immediate Action. I again urse on the Congress the need of amadate attention to this matter. We wed a greater clasticity in our currency; forded of course. rided, of course, that we recognize the a greater need of a safe and secure cur-fy. There must always be the most d examination by the National author-Provision should be made for an ingency currency. the Provision should be made for an margency currency. The emorgency insue hould of course, be made with an effective paranty, and upon conditions carefully pre-enhed by the Government. Such emergency mue must be hased on adequate securities proved by the Government and must be are under a heavy tax. This would per-fit currency being issued when the demand or it was urgent, while securing its retire-bread under a heavy tax. This would per-fit currency being issued when the demand or it was urgent, while securing its retire-and directors of National basks should the directors of National basks should that companies should be subject to the an subservision as banks; legislation to his effect should be enacted for the Dis-rict of Columbia and the Territories. THE TARIFF.

THE TARIFF. This country is definitely committed

and unless the and unless the courts will themselves deal with it in effective manner, it is certain ultimately to demand some form of legis-lative action. It would be most unfortun-ate for our social weifare if we should permit many honest and law-abiling citi-tions 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 marnestly 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 these rights which from time to time it unwarrantably invades. Moreover, discontent is often expressed with the use of the process of injunction by th-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.

QUESTIONS AFFECTING LABOR

Alexandon of this question as 1 am information of the Supreme Court. **QUENTIONS AFFECTING LABOR.**The National Government should be amodel employer. It should demand the imployer guestion for an effect from each of 16 them property in return. Congress should not be employer in the second of the Federal power marging in the second of the Federal power including employes of an avy-rate and intercompensation for an effect at an another employer including employer in the second of the Federal power including employees of an avy-rate and intercompensation for an effect at a sile of the federation of an avy-rate and intercompensation for an effect of an avy-rate and increasing and the emacted which the second of the federation of the day of the second of the federation of the day of the second of the federation of the day. If works guine hardship to the other bas jurisdiction. The sumber of accidents to wage workers as this family to havy fraction of the day. If works guine hardship to the other bas jurisdiction. The sumber of accidents is generally an indequate remedy for the probability and thore should be made such that the gamment for accidents built do the made such fraction of the day. The law order are browned to the probability and on the other should be made such that the payment for accidents built do the mode and of the public and on the source should be made such the setter for lawning the employer is the agenet of the figure of the the works are which the restension of the day of the the setter in motion agenetic work and the setter in the setter in the setter should have a setter of a start and on this own resemblic. Only and the setter is the basent of the public and on the source and the setter is the setter i

Compulsory Investigation of Industrial

Bisputes. Strikes and lockouts, with their attendant Birikes and lockouts, with their attendant loss and suffering continue to increase. For the five years ending December 31, 1905, the number of strikes was greater than those in any previous ten years and was double the number in the preceding five years. These figures indicate the increasing need of providing some machinery to deal with this class of disturbances in the interest sike of the employer, the employe and the general public. I renew my previous recom-mendation that the Congress favorably coa-sider the matter of creating the machinery for compulsory investigation of such inRECLAMATION WORK.

Irrigation should be far more extensively developed than at present, not only in the states of the great plains and the Rocky Mountains, but in many others, as for in-stance, in large portions of the South At-lantic and Gulf States, where it should go hand in hand with the reclamation of wamp land. The Federal Government should seriously devote itself to this task. should seriously devote itself to this task, realizing that utilization of waterways and waterpower, forestry, ifrication and the re-clamation of lands threatened with overflow, are all interdependent parts of the same problem. The work of the Reclamation Hervice in developing the larger opportuni-ties of the western half of our country for irrigation is more important than almost any other movement. The constant purpose of the Government in connection with the Reclamation Service has been to use the water resources of the public lands for the ultimate greatest good of the greatest num-ber; in other words, to put upon the land water resources of the public failed for the ultimate greatest good of the greatest num-her; in other words, to put upon the land permanent home-makers, to use and de-velop it for themselves and for their chli-dren and children's children. There has been, of course, opposition to this work; opposition from some interested men who desire to exhaust the land for their own immediate profit without regard to the wel-fare of the next generation, and opposition from honest and well-meaning men who did not fully understand the subject or who did not foul far enough a head. This opposition is, I think, dying away, and our people are understanding that it would be utterly wrong to allow a few individuals to ex-haust for their own temperary personal profit the resources which ought to be de-veloped through use as as to be conserved for the perminent common advantage of the people as a whole. **PUBLIC LANDS.**

people as a whi PUBLIC LANDS.

rot the perminent common automate a transmission of the people as a whole. PUBLIC LANDS. The effort of the Government to deal with the public laind has been based upon the same principle as that of the Reclamation Service. The land law system which was designed to meet the needs of the fertile and well-watered regions of the Middle West has largely broken down when applied to the dryer regions of the great plains, the mountains and much of the Pacific Slope, where a farm of 100 acres is indicquate for self-support. In these regions the system lent itself to fraud, and much land passed out of the hands of the forwarment without passing into the hands of the line indicquate for self-support. In these regions the system lent itself to fraud, and much land passed out of the hands of the forme-maker. The Department of Justice joined in prosecuting the offenders signing the law; and they have accomplished much, while where the administration of the law, and detective it has been changed. But the laws themselves are defective. Three years ago a public lands commission was appointed to scrutinize the law, and detects and recommend a remedy. Their examination specifically showed the existence of great fraud upon the public domain, and they were made with the design of conserving the natural resources of every part of the public lands by putting it to its best use.

the second states and the second states areas of public land into the passage of the second states are second and states are second states Especial attention was called to the pre-

Country merchant should not be crushed out. OKLAHOMA. Oklahoma has become a state, standing on a full equality with her elder sisters, and her future is assured by her great natural re-mources. The duty of the National Govern-ment to guard the personal and property rights of the Indiana within her borders remains of course unchanged. ALASKA.

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man, it is absolutely essential to create a service corps, such as exists in nearly every modern army in the world, to do the skilled and unskilled labor, inseparably connected with military administration, which is now The White House, Decer

The Second International Face conthe ence was convened at The Hague on the 15th of June last and remained in semion until the 18th of October. For the first time the representatives of practically all the civilized countries of the world united in a temperate and kindly discussion of the methods by which the causes of war might be narrowed and its injurious effects reduced.

duced. Although the agreements reached in the conference did not in any direction go to the length hoped for by the more sanguine, yet in many directions important steps were taken, and upon every subject on the pro-gramme there was such full and consider-ate discussion as to justify the bellef that substantial progress has been made toward further agreements in the future. Thir-teen conventions were agreed upon embody-ing the definite conclusions which had been reached, and resolvitions were adopted mark-ing the progress made in matters upon which agreement was not yet sufficiently complete to make conventions practicable. Cuba.

Cuba.

Cuba. Cuba. A year ago in consequence of a revolu-tionary movement in Cuba which threatened the immediate return to chaos of the isl-and, the United States intervened, sending down an army and establishing a provision-al government under Governor Magoon, Ab-solute quiet and prosperity have returned to the island because of this action. We are now taking steps to provide for elections in the island and ord expression to a government chosen the people thereof. Cuba is at our doors. It is not possible that this Nation should permit Cuba again to sink into the condition from which we rescued it. All that we ask of the Cuban people is that condition from which we rescued it. All that we ask of the Cuban people is that they be prosperous, that they govern them-selves so as to bring content, order and progress to their island, the Queen of the Antilles; and our only interference and will be to help them achieve these results,

suits. China. I ask for suthority to re-form the agree-ment with China under which the indemnity of 1900 was fixed, by remitting and cancel-ing the obligation of China for the pay-ment of all that part of the silpulated in-demnity which is in excess of the sum of of 1900 was fixed, by remitting and cancer-ing the obligation of China for the pay-ment of all that part of the silpulated in-demnity which is in excess of the sum of \$11,655,492.69, and interest at 4 per cent. After the rescue of the foreign legations in Pekin during the Boxer troubles in 1900 the Powers required from China the payment of equitable indemnities to the several nations, and the final protocol un-der which the troops were withdrawn, signed at Pekin, September 7, 1901, fixed the amount of this indemnity allotted to the United States at over \$20,000,000, and China paid, up to and including the list day of June, last, a little over \$6,000,000. It was the first intention of this Govern-ment at the proper time, when all claims had been presented and all expenses ascer-tained as fully as possible, to revise the estimates and account, and as a proof of sincere friendship for China voluntarily to release that country from its legal liability for all payments in excess of the sum which about prove to be necessary for actual indemnity to the United States and its citi-sens. Chinese Students. gens.

This Nation should help in every prac-ficable way in the education of the Chinese people, so that the vast and populous Em-pire of China may gradually adapt itself to modern conditions. One way of doing this is by promoting the coming of Chinese stu-dents to this country and making it at-tractive, to them to take courses at our uni-versities and higher educational institutions. Our educators should, so far as possible, take concerted action toward this end. International Bureau of American Republics

Our educators should, so far as possible, take concerted action toward this end. International Bureau of American Republics One of the results of the Pan-American Conference at Rio Janeiro in the Summer of 1906 has been a great increase in the activity and usefulness of the International Bureau of American Republics. That in-stitution, which includes all the American Republics in its membership and brings all their representatives together, is doing a really valuable work in informing the peo-ple of the United States bout the other Republics and in making thus the other Republics and in making thus on the informing the peo-ple of the United States bout the other Republics and in making thus of the state known to them. Its active wow limited by appropriations determ of it was doing a work on a much is and rendering much less y