

PRESIDENT'S MESSAGE.

Makes Annual Recommendations to Congress.

ATTACKS ANTI-TRUST LAW

Sherman Act Should Be Amended to Permit Combinations Which Are in the Interest of the Public, Says the President—Urges Legislation to Safeguard the Wage-workers—Dwells on Need of Protection For Forests. Views on the Army and the Navy.

Washington, Dec. 8.—In his message to congress, read to the two houses, the president said:

The financial standing of the nation at the present time is excellent, and the financial management of the nation's interests by the government during the last seven years has shown the most satisfactory results. But our currency system is imperfect, and it is earnestly to be hoped that the currency commission will be able to propose a thoroughly good system which will do away with the existing defects. During the period from July 1, 1901, to Sept. 30, 1908, there has been a net surplus of nearly one hundred millions of receipts over expenditures, a reduction of the interest bearing debt by ninety millions, in spite of the extraordinary expense of the Panama canal and a saving of nearly nine millions on the annual interest charge. This is an exceedingly satisfactory showing. There has been a reduction of taxation.

Corporations.

As regards the great corporations engaged in interstate business, and especially the railroads, I can only repeat what I have already said in my messages to the congress. I believe that under the interstate clause of the constitution the United States has complete and paramount right to control all agencies of interstate commerce, and I believe that the national government alone can exercise this right with wisdom and effectiveness so as both to secure justice from and to do justice to the great corporations which are the most important factors in modern business. I believe that it is worse than folly to attempt to prohibit all combinations, as is done by the Sherman anti-trust law, because such a law can be enforced only imperfectly and unequally, and its enforcement works almost as much hardship as good. I strongly advocate that instead of an unwise effort to prohibit all combinations which shall be substituted a law which shall expressly permit combinations which are in the interest of the public, but shall at the same time give to some agency of the national government full power of control and supervision over them. One of the chief features of this control should be securing entire publicity in all matters which the public has a right to know and, furthermore, the power, not by judicial, but by executive, action to prevent or put a stop to every form of improper favoritism or other wrongdoing.

The railways of the country should be put completely under the interstate commerce commission and removed from the domain of the anti-trust law. The power of the commission should be made thoroughgoing, so that it could exercise complete supervision and control over the issue of securities as well as over the raising and lowering of rates. As regards rates, at least this power should be summary. Power to make combinations and traffic agreements should be explicitly conferred upon the railroads, the permission of the commission being first gained and the combination or agreement being published in all its details. The interests of the shareholders, of the employees and of the shippers should all be guarded as against one another. To give any one of them undue and improper consideration is to do injustice to the others. Rates must be made as low as is compatible with giving proper returns to all the employees of the railroad, from the highest to the lowest, and proper returns to the shareholders, but they must not, for instance, be reduced in such fashion as to necessitate a cut in the wages of the employees or the abolition of the proper and legitimate profits of honest shareholders.

Telegraph and telephone companies engaged in interstate business should be put under the jurisdiction of the interstate commerce commission.

Ample Rewards For Intelligence.

It is to the interest of all of us that there should be a premium put upon individual initiative and individual capacity and an ample reward for the great directing intelligences alone competent to manage the great business operations of today. It is well to keep in mind that exactly as the anarchist is the worst enemy of liberty and the reactionary the worst enemy of order so the men who defend the rights of property have most to fear from the wrongdoers of great wealth, and the men who are championing popular rights have most to fear from the demagogues who in the name of popular rights would do wrong to and oppress honest business men, honest men of wealth, for the success of either type of wrongdoer necessarily invites a violent reaction against the cause the wrongdoer nominally upholds.

The opposition to government control of these great corporations makes

its most effective effort in the shape of an appeal to the old doctrine of state's rights.

The proposal to make the national government supreme over, and therefore to give it complete control over, the railroads and other instruments of interstate commerce is merely a proposal to carry out to the letter one of the prime purposes, if not the prime purpose, for which the constitution was founded. It does not represent centralization.

I believe that the more far-sighted corporations are themselves coming to recognize the un wisdom of the violent hostility they have displayed during the last few years to regulation and control by the national government of combinations engaged in interstate business.

Labor.

There are many matters affecting labor and the status of the wage worker to which I should like to draw your attention. As far as possible I hope to see a frank recognition of the advantages conferred by machinery, organization and division of labor, accompanied by an effort to bring about a larger share in the ownership by wage worker of railway, mill and factory. In farming this simply means that we wish to see the farmer own his own land. We do not wish to see the farms so large that they become the property of absentee landlords who farm them by tenants nor yet so small that the farmer becomes like a European peasant.

The depositors in our savings banks now number over one-tenth of our entire population. These are all capitalists who through the savings banks loan their money to the workers—that is, in many cases to themselves—to carry on their various industries. Postal savings banks will make it easy for the poorest to keep their savings in absolute safety. The regulation of the national highways must be such that they shall serve all people with equal justice. Corporate finances must be supervised so as to make it far safer than at present for the man of small means to invest his money in stocks. There must be prohibition of child labor, diminution of woman labor, shortening of hours of all mechanical labor. Stock watering should be prohibited, and stock gambling, so far as is possible, discouraged. There should be a progressive inheritance tax on large fortunes. Industrial education should be encouraged.

Protection For Wage-workers.

There is one matter with which the congress should deal at this session. There should no longer be any meddling with the question of taking care of the wage-workers who, under our present industrial system, become killed, crippled or worn out as part of the regular incidents of a given business. The object sought for could be achieved to a measurable degree, as far as those killed or crippled are concerned, by proper employers' liability laws. As far as concerns those who have been worn out, I call your attention to the fact that definite steps toward providing old age pensions have been taken in many of our private industries.

Pending a thoroughgoing investigation and action there is certain legislation which should be enacted at once. The law passed at the last session of the congress granting compensation to certain classes of employees of the government should be extended to include all employees of the government and should be made more liberal in its terms. In this respect the generosity of the United States toward its employees compares most unfavorably with that of every country in Europe—even the poorest.

The terms of the act are also a hardship in prohibiting payment in cases where the accident is in any way due to the negligence of the employee. It is inevitable that daily familiarity with danger will lead men to take chances that can be construed into negligence.

I renew my recommendation made in a previous message that half holidays be granted during the summer to all wage-workers in government employ.

I also renew my recommendation that the principle of the eight hour day should be rapidly and as far as practicable be extended to the entire work being carried on by the government.

The Courts.

I most earnestly urge upon the congress the duty of increasing the totally inadequate salaries now given to our judges. On the whole, there is no body of public servants who do as valuable work nor whose moneyed reward is so inadequate compared to their work. Beginning with the supreme court, the judges should have their salaries doubled.

It is earnestly to be desired that some method should be devised for doing away with the long delays which now obtain in the administration of justice and which operate with peculiar severity against persons of small means and favor only the very criminals whom it is most desirable to punish.

At the last election certain leaders of organized labor made a violent and sweeping attack upon the entire judiciary of the country, an attack couched in such terms as to include the most upright, honest and broad minded judges no less than those of narrower mind and more restricted outlook. Last year before the house committee on the judiciary these same labor leaders formulated their demands, specifying the bill that contained them, refusing all compromise, stating they wished the principle of that bill or nothing. They insisted on a provision that in a labor dispute no injunction should issue except to protect a property right and specifically

provided that the right to carry on business should not be construed as a property right, and in a second provision their bill made legal in a labor dispute any act or agreement by or between two or more persons that would not have been unlawful if done by a single person. In other words, this bill legalized blackmailing and boycotting in every form. The demand was made that there should be trial by jury in contempt cases, thereby most seriously impairing the authority of the courts. All this represented a course of policy which, if carried out, would mean the enthronement of class privilege in its crudest and most brutal form and the destruction of one of the most essential functions of the judiciary in all civilized lands.

The wage-workers, the workmen, the laboring men of the country, by the way in which they repudiated the effort to get them to cast their votes in response to an appeal to class hatred have emphasized their sound patriotism and Americanism.

Courts Imperiled by Judges.

But the extreme reactionaries, the persons who blind themselves to the wrongs now and then committed by the courts on laboring men, should also think seriously as to what such a movement as this portends. The courts are jeopardized primarily by the action of these federal and state judges who show inability or unwillingness to put a stop to the wrongdoing of very rich men under modern industrial conditions.

There are certain decisions by various courts which have been exceedingly detrimental to the rights of wage-workers. This is true of all the decisions that decide that men and women are by the constitution "guaranteed their liberty" to contract to enter a dangerous occupation, or to work an undesirable or improper number of hours, or to work in unhealthy surroundings, and therefore cannot recover damages when maimed in that occupation and cannot be forbidden to work what the legislature decides is an excessive number of hours, or to carry on the work under conditions which the legislature decides to be unhealthy.

There is also, I think, ground for the belief that substantial injustice is often suffered by employees in consequence of the custom of courts issuing temporary injunctions without notice to them and publishing them for contempt of court in instances where, as a matter of fact, they have no knowledge of any proceedings. Provision should be made that no injunction or temporary restraining order issue otherwise than on notice, except where irreparable injury would otherwise result, and in such case a hearing on the merits of the order should be had within a short fixed period, and if not then continued after hearing it should forthwith lapse. Decisions should be rendered immediately and the chance of delay minimized in every way.

The courts are to be highly commended and staunchly upheld when they set their faces against wrongdoing or tyranny by a majority, but they are to be blamed when they fail to recognize under a government like ours the deliberate judgment of the majority as to a matter of legitimate policy when duly expressed by the legislature. The people should not be permitted to pardon evil and slipshod legislation on the theory that the court will set it right. They should be taught that the right way to get rid of a bad law is to have the legislature repeal it and not to have the courts by ingenious hair splitting nullify it.

People Themselves to Blame.

For many of the shortcomings of justice in our country our people as a whole are themselves to blame, and the judges and juries merely bear their share together with the public as a whole. It is discreditable to us as a people that there should be difficulty in convicting murderers or in bringing to justice men who as public servants have been guilty of corruption or who have profited by the corruption of public servants.

The huge wealth that has been accumulated by a few individuals of recent years, in what has amounted to a social and industrial revolution, has been made possible only by the improper use of the modern corporation. Corporations are necessary instruments of modern business. They have been permitted to become a menace largely because the governmental representatives of the people have worked slowly in providing for adequate control over them.

Real damage has been done by the manifold and conflicting interpretations of the interstate commerce law. Control over the great corporations doing interstate business can be effective only if it is vested with full power in an administrative department, a branch of the federal executive, carrying out a federal law. It can never be effective if a divided responsibility is left in both the states and the nation. It can never be effective if left in the hands of the courts to be decided by lawsuits.

The courts hold a place of peculiar and deserved sanctity under our form of government. Respect for the law is essential to the permanence of our institutions, and respect for the law is largely conditioned upon respect for the courts. But we must face the fact that there are wise and unwise judges, just as there are wise and unwise executives and legislators. When a president or governor behaves improperly or unwisely the remedy is easy, for his term is short. The same is true with the legislator, although not to the same degree. With a judge who, being human, is also likely to err, but whose tenure is for life, there is no similar way of holding him to responsibility. Under ordinary conditions the only forms of pressure to

which he is in any way amenable are public opinion and the action of the fellow judges. It is the last which is most immediately effective and to which we should look for the reform of abuses.

Forests.

If there is any one duty which more than another we owe it to our children and our children's children to perform at once it is to save the forests of this country, for they constitute the first and most important element in the conservation of the natural resources of the country.

Shortsighted persons, or persons blinded to the future by desire to make money in every way out of the present, sometimes speak as if no great damage would be done by the reckless destruction of our forests. It is difficult to have patience with the arguments of these persons. Thanks to our own recklessness in the use of our splendid forests, we have already crossed the verge of a timber famine in this country, and no measures that we now take can, at least for many years, undo the mischief that has already been done. But we can prevent further mischief being done, and it would be in the highest degree reprehensible to let any consideration of temporary convenience or temporary cost interfere with such action, especially as regards the national forests, which the nation can now at this very moment control.

[The president here cites in support of his contentions the great destruction wrought in China by the denudation of the forest areas.]

What has thus happened in northern China, what has happened in central Asia, in Palestine, in north Africa, in parts of the Mediterranean countries of Europe, will surely happen in our country if we do not exercise that wise forethought which should be one of the chief marks of any people calling itself civilized. Nothing should be permitted to stand in the way of the preservation of the forests, and it is criminal to permit individuals to purchase a little gain for themselves through the destruction of forests when this destruction is fatal to the well being of the whole country in the future.

Inland Waterways.

Action should be begun forthwith, during the present session of congress, for the improvement of our inland waterways—action which will result in giving us not only navigable but navigated rivers. We have spent hundreds of millions of dollars upon these waterways, yet the traffic on nearly all of them is steadily declining. This condition is the direct result of the absence of any comprehensive and farseeing plan of waterway improvement. Obviously we cannot continue thus to expend the revenues of the government without return. It is poor business to spend money for inland navigation unless we get it.

Such shortsighted, vacillating and futile methods are accompanied by decreasing water borne commerce and increasing traffic congestion on land, by increasing floods and by the waste of public money. The remedy lies in abandoning the methods which have so signally failed and adopting new ones in keeping with the needs and demands of our people.

In a report on a measure introduced at the first session of the present congress the secretary of war said, "The chief defect in the methods hitherto pursued lies in the absence of executive authority for originating comprehensive plans covering the country or natural divisions thereof." In this opinion I heartily concur.

Until the work of river improvement is undertaken in a modern way it cannot have results that will meet the needs of this modern nation. These needs should be met without further dilly-dallying or delay. The plan which promises the best and quickest results is that of a permanent commission authorized to co-ordinate the work of all the government departments relating to waterways and to frame and supervise the execution of a comprehensive plan. The time for playing with our waterways is past. The country demands results.

National Parks.

I urge that all our national parks adjacent to national forests be placed completely under the control of the forest service of the agricultural department, instead of leaving them, as they are now, under the interior department and policed by the army.

Pure Food.

The pure food legislation has already worked a benefit difficult to overestimate.

Secret Service.

Last year an amendment was incorporated in the measure providing for the secret service which provided that there should be no detail from the secret service and no transfer therefrom. It is not too much to say that this amendment has been of benefit only, and could be of benefit only, to the criminal classes. The amendment in question was of benefit to no one excepting to criminals, and it seriously hampers the government in the detection of crime and the securing of justice. It prevents the promotion of employees in the secret service, and this further discourages good effort. In its present form the restriction operates only to the advantage of the criminal, of the wrongdoer.

The chief argument in favor of the provision was that the congressmen did not themselves wish to be investigated by secret service men. Very little of such investigation has been done in the past, but it is true that the work of the secret service agents was partly responsible for the indictment and conviction of a senator and a congressman for land frauds in Oregon. I do not believe that it is in the public interest

to protect criminals in any branch of the public service, and exactly as we have again and again during the past seven years prosecuted and convicted such criminals who were in the executive branch of the government so in my belief we should be given ample means to prosecute them if found in the legislative branch. But if this is not considered desirable a special exception could be made in the law prohibiting the use of the secret service force in investigating members of the congress. It would be far better to do this than to do what actually was done and strive to prevent or at least to hamper effective action against criminals by the executive branch of the government.

Postal Savings Banks.

I again renew my recommendation for postal savings banks, for depositing savings with the security of the government behind them. The object is to encourage thrift and economy in the wage earner and person of moderate means. It is believed that in the aggregate vast sums of money would be brought into circulation through the instrumentality of the postal savings banks. Postal savings banks are now in operation in practically all the great civilized countries with the exception of the United States.

Parcel Post.

In my last annual message I commended the postmaster general's recommendation for an extension of the parcel post on the rural routes. The establishment of a local parcel post on rural routes would be to the mutual benefit of the farmer and the country storekeeper, and it is desirable that the routes, serving more than 15,000,000 people, should be utilized to the fullest practicable extent.

Education.

The share that the national government should take in the broad work of education has not received the attention and the care it rightly deserves. I earnestly recommend that this unfortunate state of affairs as regards the national educational office be remedied by adequate appropriations.

Census.

I strongly urge that the request of the director of the census in connection with the decennial work so soon to be begun be complied with and that the appointments to the census force be placed under the civil service law, waiving the geographical requirements as requested by the director of the census. The supervisors and enumerators should not be appointed under the civil service law for the reasons given by the director.

Public Health.

The dangers to public health from food adulteration and from many other sources, such as the menace to the physical, mental and moral development of children from child labor, should be met and overcome. This nation cannot afford to lag behind in the worldwide battle now being waged by all civilized people with the microscopic foes of mankind. The first legislative step to be taken is that for the concentration of the proper bureaus into one of the existing departments.

Statehood.

I advocate the immediate admission of New Mexico and Arizona as states. This should be done at the present session of the congress. The people of the two territories have made it evident by their votes that they will not come in as one state. The only alternative is to admit them as two, and I trust that this will be done without delay.

Foreign Affairs.

This nation's foreign policy is based on the theory that right must be done between nations precisely as between individuals, and in our actions for the last ten years we have in this matter proved our faith by our deeds. We have behaved and are behaving toward other nations as in private life an honorable man would behave toward his fellows.

Latin American Republics.

The commercial and material progress of the twenty Latin American republics is worthy of the careful attention of the congress. No other section of the world has shown a greater proportionate development of its foreign trade during the last ten years, and none other has more special claims on the interest of the United States.

Panama Canal.

The work on the Panama canal is being done with a speed, efficiency and entire devotion to duty which make it a model for all work of the kind. No task of such magnitude has ever before been undertaken by any nation, and no task of the kind has ever been better performed. The men on the isthmus, from Colonel Goethals and his fellow commissioners through the entire list of employees who are faithfully doing their duty, have won their right to the ungrudging respect and gratitude of the American people.

Ocean Mail Lines.

I again recommend the extension of the ocean mail act of 1891 so that satisfactory American ocean mail lines to South America, Asia, the Philippines and Australasia may be established. The creation of such steamship lines should be the natural corollary of the voyage of the battle fleet. It should precede the opening of the Panama canal.

The Philippines.

Real progress toward self government is being made in the Philippine Islands. The gathering of a Philippine legislative body and Philippine assembly marks a process absolutely new in Asia, not only as regards Asiatic colonies of European powers, but as regards Asiatic possessions of other Asiatic powers, and indeed, always excepting the striking and wonderful example afforded by the great empire of Japan, it opens an entirely new de-

parture when compared with anything which has happened among Asiatic powers which are their own masters. We have given the Filipinos constitutional government, a government based upon justice, and we have shown that we have governed them for their good and not for our aggrandizement.

At the present time, as during the past ten years, the inexorable logic of facts shows that this government must be supplied by us and not by them. We must be wise and generous. We must help the Filipinos to master the difficult art of self control, which is simply another name for self government. But we cannot give them self government save in the sense of governing them so that gradually they may, if they are able, learn to govern themselves. No one can prophesy the exact date when it will be wise to consider independence as a fixed and definite policy.

Porto Rico.

I again recommend that American citizenship be conferred upon the people of Porto Rico.

Cuba.

In Cuba our occupancy will cease in about two months' time. The Cubans have in orderly manner elected their own governmental authorities, and the island will be turned over to them. Our occupancy on this occasion has lasted a little over two years, and Cuba has thrived and prospered under it. Our earnest hope and one desire is that the people of the island shall now govern themselves with justice, so that peace and order may be secure.

The Fleet's Reception.

I take this opportunity publicly to state my appreciation of the way in which in Japan, in Australia, in New Zealand and in all the states of South America the battle fleet has been received on its practice voyage around the world. The American government cannot too strongly express its appreciation of the abounding and generous hospitality shown our ships in every port they visited.

The Army.

As regards the army, I call attention to the fact that, while our junior officers and enlisted men stand very high, the present system of promotion by seniority results in bringing into the higher grades many men of mediocre capacity who have but a short time to serve. No man should regard it as his vested right to rise to the highest rank in the army any more than in any other profession.

The scope of retiring boards should be extended so that they could consider general unfitness to command for any cause in order to secure a far more rigid enforcement than at present in the elimination of officers for mental, physical or temperamental disabilities. But this plan is recommended only if the congress does not see fit to provide what in my judgment is far better—that is, for selection in promotion and for elimination for age.

Now that the organized militia, the national guard, has been incorporated with the army as a part of the national forces it behooves the government to do every reasonable thing in its power to perfect its efficiency.

A bill is now pending before the congress creating a number of extra officers in the army, which, if passed, as it ought to be, will enable more officers to be trained as instructors of national guard and assigned to that duty.

There should be legislation to provide a complete plan for organizing the great body of volunteers behind the regular army and national guard when war has come. While teams representing the United States won the rifle and revolver championships of the world against all comers in England this year, it is unfortunately true that the great body of our citizens shoot less and less as time goes on.

To meet this we should encourage rifle practice among schoolboys and indeed among all classes, as well as in the military services, by every means in our power.

The Navy.

I approve the recommendations of the general board for the increase of the navy, calling especial attention to the need of additional destroyers and colliers and, above all, of the four battleships. It is desirable to complete as soon as possible a squadron of eight battleships of the best existing type. The North Dakota, Delaware, Florida and Utah will form the first division of this squadron.

I most earnestly recommend that the general board be by law turned into a general staff. There is literally no excuse whatever for continuing the present bureau organization of the navy. The navy should be treated as a purely military organization, and everything should be subordinated to the one object of securing military efficiency. A system of promotion by merit, either by selection or by exclusion or by both processes, should be introduced.

Nothing better for the navy from every standpoint has ever occurred than the cruise of the battle fleet around the world. The improvement of the ships in every way has been extraordinary, and they have gained far more experience in battle tactics than they would have gained if they had stayed in the Atlantic waters. I do not believe that there is any other service in the world in which the average of character and efficiency in the enlisted men is as high as in now the case in our own. I believe that the same statement can be made as to our officers, taken as a whole, but there must be a reservation made in regard to those in the highest ranks and in regard to those who have just entered the service, because we do not now get full benefit from our excellent naval school at Annapolis.