MESSAGE IS READ

Senate and House Receive Document in Usual Form.

RATE SUPERVISION THE THEME

Urges Economy in Public Expenditures—Monroe Doctrine—Reduce Philippine Tariff.

The most important points brought out in the president's message follow:

To the Senate and House of Representatives:

The people of this country continue to enjoy great prosperity. Undoubtedly there will be ebb and flow in such prosperity, and this ebb and flow will be felt more or less by all members of the community, both by the deserving and the undeserving. Against the wrath of the Lord the wisdom of man cannot avail; in times of flood or drought human ingenuity can but partially repair the disaster. A general failure of crops would hurt all of us. Again, if the folly of man mars the general well-being, then those who are innocent of the folly will have to pay part of the penalty incurred by those who are guilty of the folly. A panic brought on by the speculative folly of part of the business community would hurt the whole business community. But such stoppage of welfare, though it might be severe, would not be lasting. In the long run the one vital factor in the permanent prosperity of the country is the high individual character of the average American worker, the average American citizen, no matter whether his work be mental or manual, whether he be farmer or wageworker, business man or professional man.

In our industrial and social system the interests of all men are so closely intertwined that in the immense majority of cases a straight-dealing man who by his efficiency, by his ingenuity and industry, benefits himself must also benefit others. Normally the man of great productive capacity who becomes rich by guiding the labor of many other men does so by enabling them to produce more than they could produce without his guidance; and both he and they share in the benefit, which comes also to the public at large. The superficial fact that the sharing may be unequal must never blind us to the underlying fact that there is this sharing, and that the benefit comes in some degree to each man concerned. Normally the wageworker, the man of small means, and the average consumer, as well as the average producer, are all alike helped by making conditions such that the man of exceptional business ability receives an exceptional reward for his ability. Something can be done by legislation to help the general prosperity; but no such help of a permanently beneficial character can be given to the less able and less fortunate, save as the results of a policy which shall inure to the advantage of all industrious and efficient people who act decently; and this is only another way of saying that any benefit which comes to the less able and less fortunate must of necessity come even more to the more able and more fortunate. If, therefore, the less fortunate man is moved by envy of his more fortunate brother to strike at the conditions under which they have both, though equally, prospered, the result will assuredly be that while damage may come to the one struck at, it will visit with an even heavier load the one who strikes the blow. Taken as a whole, we must all go up or go down together.

Corporations.

Yet, while not merely admitting, but insisting upon this, it is also true that where there is no Governmental restraint or supervision, some of the exceptional men use their energies not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organizations are now so large, and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign—that is, to the Government, which represents the people as a whole—some effective power of supervision over their corporate use. In order to insure a healthy social and industrial life, every big corporation should be held responsible by and be accountable to, some sovereign strong enough to control its conduct. I am in no sense hostile to corporations. This is an age of combination, and any effort to prevent all combination will be not only useless, but in the end vicious, because of the contempt for law which the failure to enforce law inevitably produces. We should, moreover, recognize in cordial and ample fashion the immense good effected by corporate agencies in a country such as ours, and the wealth of intellect, energy and fidelity devoted to their service, and therefore normally to the service of the public, by their officers and directors. The corporation has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice.

So long as the finances of the Nation are kept upon an honest basis no other question of internal economy with which the Congress has the power to deal begins to approach in importance the matter of endeavoring to secure proper industrial conditions under which the individuals—and especially the great corporations—doing an interstate business are to act. The makers of our National Constitution provided especially that the regulation of interstate commerce should come within the sphere of the General Government. The arguments in favor of their taking this stand were even then overwhelming. But they are far stronger today, in view of the enormous development of great business agencies, usually corporate in form. Experience has shown conclusively that it is useless to try to get any adequate regulation and supervision of these great corporations by state action. Such regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is coextensive with the field of work of the corporations—that is, by the National Government. I believe that this regulation and supervision can be obtained by the enactment of law by the Congress. If this proves impossible, it will certainly be necessary ultimately to confer in fullest form such power upon the National Government by a proper amendment of the Constitution. It would obviously be unwise to endeavor to secure such an amendment until it is certain that the result cannot be obtained under the Constitution as it now is. The laws of the Congress and of the several states hitherto, as passed upon by the courts, have resulted more often in showing that the states have no power in the matter than that the National Government has power; so that there at present exists a very unfortunate condition of things, under which these great corporations doing an interstate business occupy the position of subjects without a sovereign, neither any state government nor the National Government having effective control over them. Our steady aim should be by legislation, cautiously and carefully undertaken, but resolutely persevered in, to assert the sovereignty of the National Government by affirmative action.

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

The best possible regulation of rates would, of course, be that regulation secured by an honest agreement among the railroads themselves to carry out the law. Such a general agreement would, for instance, at once put a stop to the efforts of any one big shipper or big railroad to discriminate against or secure advantages over some rival; and such agreements would make the railroads themselves agents for enforcing the law. The power vested in the Government to put a stop to agreements to the detriment of the public should, in my judgment, be accompanied by power to permit, under specified conditions and careful supervision, agreements clearly in the interest of the public. But, in my judgment, the necessity for giving this further power is by no means as great as the necessity for giving the Commission or administrative body the other powers I have enumerated above; and it may well be inadvisable to attempt to vest this particular power in the Commission or other administrative body until it already possesses and is exercising what I regard as by far the most important power of all the powers I recommend—as indeed the vitally important power—that to fix a given maximum rate, which rate, after the lapse of a reasonable time, goes into full effect, subject to review by the courts.

Let me most earnestly say that these recommendations are not made in any spirit of hostility to the railroads. On ethical grounds, on grounds of right, such hostility would be intolerable; and on grounds of mere National self-interest we must remember that such hostility would tell against the welfare not merely of some few rich men, but of a multitude of small investors, a multitude of railway employes, wageworkers; and most severely against the interest of the public as a whole. I believe that on the whole our railroads have done well and not ill; but the railroad men who wish to do well should not be exposed to competition with those who have no such desire, and the only way to secure this end is to give to some Government tribunal the power to see that justice is done by the unwilling exactly as it is gladly done by the willing. Moreover, if some Government body is given increased power the effect will be to furnish authoritative answer on behalf of the railroad whenever irrational clamor against it is raised, or whenever charges made against it are disproved. I ask this legislation not only in the interest of the public, but in the interest of the honest railroad man and the honest shipper alike, for it is they who are chiefly jeopardized by the practices of their dishonest competitors. This legislation should be enacted in a spirit as remote as possible from hysteria and rancor. If we of the American body politic are true to the traditions we have inherited we shall always scorn any effort to make us hate any man because he is rich, just as much as we should scorn any effort to make us look down upon or treat contemptuously any man because he is poor.

The question of transportation lies at the root of all industrial success, and the revolution in transportation which has taken place during the last half century has been the most important factor in the growth of the new industrial conditions. Most emphatically we do not wish to see the man of great talents refused the reward for his talents. Still less do we wish to see him penalized; but we do desire to see the system of railroad transportation so handled that the strong man shall be given no advantage over the weak man. We wish to insure as fair treatment for the small town as for the big city; for the small shipper as for the big shipper. In the old days the highway of commerce, whether by water or by a road on land, was open to all; it belonged to the public and the traffic along it was free. At present the railway is this highway, and we must do our best to see that it is kept open to all on equal terms. Unlike the old highway it is a very difficult and complex thing to manage, and it is far better that it should be managed by private individuals than by the Government.

Labor.

The National Government has as a rule but little occasion to deal with the formidable group of problems connected more or less directly with what is known as the labor question, for in the great majority of cases these problems must be deal with by the state and municipal authorities and not by the National Government. The National Government has control of the District of Columbia, however, and it should see to it that the City of Washington is made a model city in all respects, both as regards parks, public playgrounds, proper regulation of the system of housing so as to do away with the evils of alley tenements, a proper system of education, a proper system of dealing with truancy and juvenile offenders, a proper handling of the charitable work of the District. Moreover, there should be proper factory laws to prevent all abuses in the employment of women and children in the District. These will be useful chiefly as object lessons, but even this limited amount of usefulness would be of real National value.

I renew the recommendation I made in my last annual message for an investigation by the Department of Commerce and Labor of general labor conditions, especial attention to be paid to the conditions of child labor and child-labor legislation in the several states. Such an investigation should take into account the various problems with which the question of child labor is connected. It is true that these problems can be actually met in most cases only by the states themselves, but it would be well for the Nation to endeavor to secure and publish comprehensive information as to the conditions of the labor of children in the different states, so as to spur up those that are behindhand, and to secure approximately uniform legislation of a high character among the several states. In such a republic as ours the one thing that we cannot afford to neglect is the problem of turning out decent citizens. The future of the Nation depends upon the citizenship of the generations to come; the children of today are those who tomorrow will shape the destiny of our land, and we cannot afford to neglect them. The Legislature of Colorado has recommended that the National Government provide some general measure for the protection from abuse of children and dumb animals throughout the United States. I lay the matter before you for what I trust will be your favorable consideration.

Insurance.

The great insurance companies afford striking examples of corporations whose business has extended so far beyond the jurisdiction of the states which created them as to preclude strict enforcement of supervision and regulation by the parent states. In my last annual message I recommended "that the Congress carefully consider whether the power of the bureau of corporations cannot constitutionally be extended to cover interstate transactions in insurance." Recent events have emphasized the importance of an early and exhaustive consideration of this question, to see whether it is not possible to furnish better safeguards than the several states have been able to furnish against corruption of the flagrant kind which has been exposed. It has been only too clearly shown that certain of the men at the head of these large corporations take but small note of the ethical distinction between honesty and dishonesty; they draw the line only this side of what may be called law honesty, the kind of honesty necessary in order to avoid falling into the clutches of the law. Of course the only complete remedy for this condition must be found in an aroused public conscience, a higher sense of ethical conduct in the community at large, and especially among business men and in the great profession of the law, and in the growth of a spirit which condemns all dishonesty, whether in rich man or in poor man, whether it takes the shape of bribery or of blackmail. But much can be done by legislation which is not only drastic but practical. There is need of a far stricter and more uniform regulation of the vast insurance interests of this country. The United States should in this respect follow the policy of other nations by providing adequate national supervision of commercial interests which are clearly National in character. My predecessors have repeatedly recognized that the foreign business of these companies is an important part of our foreign commercial relations. During the administrations of Presidents Cleveland, Harrison and McKinley the State Department exercised its influence, through diplomatic channels, to prevent unjust discrimination by foreign countries against American insurance companies. These negotiations illustrated the propriety of the Congress recognizing the National character of insurance, for in the absence of Federal legislation the State Department could only give expression to the wishes of the authorities of the several states, whose policy was ineffective through want of uniformity.

The Revenues.

There is more need of stability than of the attempts to attain an ideal perfection in the methods of raising revenue; and the shock and strain to the business world certain to attend any serious change in these methods render such change inadvisable unless for grave reason. It is not possible to lay down any general rule by which to determine the moment when the reasons for will outweigh the reasons against such a change. Much must depend, not merely on the needs, but on the desires of the people as a whole; for needs and desires are not necessarily identical. Of course no change can be made on lines beneficial to, or desired by, one section or one state only. There must be something like a general agreement among the citizens of the several states, as represented in the Congress, that the change is needed and desired in the interest of the people as a whole; and there should then be a sincere, intelligent, and disinterested effort to make it in such shape as will combine, so far as possible, the maximum of good to the people at large with the minmum of necessary disregard for the special interests of localities or classes. But in time of peace the revenue must on the average, taking a series of years together, equal the expenditures or else the revenues must be increased. Last year there was a deficit. Unless our expenditures can be kept within the revenues then our revenue laws must be readjusted. It is as yet too early to attempt to outline what shape such a readjustment should take, for it is as yet too early to say whether there will be need for it. It should be considered whether it is not desirbale that the tariff laws should provide for applying as against or in favor of any other nation maximum and minimum tariff rates established by the Congress, so as to secure a certain reciprocity of treatment between other nations and ourselves. Having in view even larger considerations of policy than those of a purely economic nature, it would, in my judgment, be well to endeavor to bring about closer commercial connections with the other peoples of this continent. I am happy to be able to announce to you that Russia now treats us on the most-favored-nation basis.

Economy in Expenditures.

I earnestly recommend to the Congress the need of economy and to this end of a rigid scrutiny of appropriations. As examples merely, I call your attention to one or two specific matters. All unnecessary offices should be abolished. The Commissioner of the General Land Office recommends the abolishment of the office of receiver of public moneys for United States land offices. This will effect a saving of about a quarter of a million dollars a year. As the business of the Nation grows it is inevitable that there should be from time to time a legitimate increase in the number of officials, and this fact renders it all the more important that when offices become unnecessary they should be abolished. In the public printing also a large saving of public money can be made. There is a constantly growing tendency to publish masses of unimportant information. It is probably not unfair to say that many tens of thousands of volumes are published at which no human being ever looks and for which there is no real demand whatever.

Currency.

In my message of December 2, 1902, to the Congress I said:

"Interest rates are a potent factor in business activity, and in order that these rates may be equalized to meet the varying needs of the seasons and of widely separated communities, and to prevent the recurrence of financial stringencies which injuriously affect legitimate business, it is necessary that there should be an element of elasticity in our monetary system. Banks are the natural servants of commerce, and upon them should be placed, as far as practicable, the burden of furnishing and maintaining a circulation adequate to supply the needs of our diversified industries and of our domestic and foreign commerce; and the issue of this should be so regulated that a sufficient supply should be always available for the business interests of the country."

Every consideration of prudence demands the addition of the element of elasticity to our currency system. The evil does not consist in an inadequate volume of money, but in the rigidity of this volume, which does not respond as it should to the varying needs of communities and of seasons. Inflation must be avoided; but some provision should be made that will insure a larger volume of money during the Fall and Winter months than in the less active seasons of the year; so that the currency will contract against speculation, and will expand for the needs of legitimate business. At present the Treasury Department is at irregularly recurring intervals obliged, in the interest of the business world—that is, in the interests of the American public—to try to avert financial crises by providing a remedy which should be provided by Congressional action.

Federal Elections.

In my last annual message I said:

"The power of the Government to protect the integrity of the elections of its own officials is inherent and has been recognized and affirmed by repeated declarations of the Supreme Court. There is no enemy of free government more dangerous and none so insidious as the corruption of the electorate. No one defends or excuses corruption, and it would seem to follow that none would oppose vigorous measures to eradicate it. I recommend the enactment of a law directed against bribery and corruption in Federal elections. The details of such a law may be safely left to the wise discretion of the Congress, but it should go as far as under the Constitution it is possible to go, and should include severe penalties against him who gives or receives a bribe intended to influence his act or opinion as an elector; and provisions for the publication not only of the expenditures for nominations and elections of all candidates, but also of all contributions received and expenditures made by political committees."

I desire to repeat this recommendation. In political campaigns in a country as large and populous as ours it is inevitable that there should be much expense of an entirely legitimate kind. This, of course, means that many contributions, and some of them of large size, must be made, and, as a matter of fact, in any big political contest such contributions are always made to both sides. It is entirely proper both to give and receive them, unless there is an improper motive connected with either gift or reception. If they are extorted by any kind of pressure or promise, express or implied, direct or indirect, in the way of favor or immunity, then the giving or receiving becomes not only improper but criminal. It will undoubtedly be difficult as a matter of practical detail to shape an act which shall guard with reasonable certainty against such misconduct; but if it is possible to secure by law the full and verified publication in detail of all the sums contributed to and expended by the candidates or committees of any political parties the result cannot but be wholesome. All contributions by corporations to any political committee or for any political purpose should be forbidden by law, directors should not be permitted to use stockholders' money for such purposes; and, moreover, a prohibition of this kind would be, as far as it went, an effective method of stopping the evils aimed at in corrupt practices acts. No only should both the National and the several State Legislatures forbid any officer of a corporation from using the money of the corporation in or about any election, but they should also forbid such use of money in connection with any legislation save by the employment of counsel in public manner for distinctly legal services.

The Hague Conference.

The first conference of nations held at The Hague in 1899, being unable to dispose of all the business before it, recommended the consideration and settlement of a number of important questions by another conference to be called subsequently and at an early date. These questions were the following: (1) The rights and duties of neutrals; (2) the limitation of the armed forces on land and sea, and of military budgets; (3) the use of new types and calibers of military and naval guns; (4) the inviolability of private property at sea in times of war; (5) the bombardment of ports, cities and villages by naval forces. In October, 1904, at the instance of the Interparliamentary Union, which, at a conference held in the United States and attended by the lawmakers of 15 different nations, had reiterated the demand for a second conference of nations, I issued invitations to all the powers signatory to The Hague convention to send delegates to such a conference and suggested that it be again held at The Hague. In its note of December 16, 1904, the United States Government communicated to the representatives of foreign governments its belief that the conference could be best arranged under the provisions of the present Hague treaty.

From all the powers acceptance was received, coupled in some cases with the condition that we should wait until the end of the war then waging between Russia and Japan. The Emperor of Russia, immediately after the treaty of peace which so happily terminated this war, in a note presented to the President on September 13, through Ambassador Rosen, took the initiative in recommending that the conference be now called. The United States Government, in response, expressed its cordial acquiescence and stated that it would, as a matter of course, take part in the new conference and endeavor to further its aims. We assume that all civilized governments will support the movement, and that the conference is now an assured fact. This Government will do everything in its power to secure the success of the conference to the end that substantial progress may be made in the cause of international peace, justice and good will.

The Monroe Doctrine.

to develop along its own lines. If we had would not meet any of the needs of the present day, and indeed would probably by this refused to apply the doctrine to changing conditions it would now be completely outworn.

One of the most effective instruments for peace is the Monroe Doctrine, as it has been and is being gradually developed by this Nation and accepted by other nations. No other policy could have been as efficient in promoting peace in the Western Hemisphere and in giving to each nation thereon the chance time have sunk into complete oblivion. It is useful at home, and is meeting with recognition abroad because we have adapted our application of it to meet the growing and changing needs of the hemisphere. When we announce a policy, such as the Monroe Doctrine, we thereby commit ourselves to the consequences of the policy, and those consequences from time to time alter. It is out of the question to claim a right and yet shirk the responsibility for its exercise. Not only we, but all American republics who are benefited by the existence of the doctrine, must recognize the obligations each nation is under as regards foreign peoples no less than its duty to insist upon its own rights.

That our rights and interests are deeply concerned in the maintenance of the doctrine is so clear as hardly to need argument. This is especially true in view of the construction of the Panama Canal. As a mere matter of self-defense we must exercise a close watch over the approaches to this canal; and this means that we must be thoroughly alive to our interests in the Caribbean Sea.

Santo Domingo.

Santo Domingo, in her turn, has now made an appeal to us to help her, and not only every principle of wisdom but every generous instinct within us bids us respond to the appeal. It is not of the slightest consequence whether we grant the aid needed by Santo Domingo as an incident to the wise development of the Monroe Doctrine, or because we regard the case of Santo Domingo as standing wholly by itself, and to be treated as such, and not on general principles or with any reference to the Monroe Doctrine. The important point is to give the needed aid, and the case is certainly sufficiently peculiar to deserve to be judged purely on its own merits. The conditions in Santo Domingo have for a number of years grown from bad to worse until a year ago all society was on the verge of dissolution. Fortunately, just at this time a ruler sprang up in Santo Domingo, who, with his colleagues, saw the dangers threatening their country and appealed to the friendship of the only great and powerful neighbor who possessed the power, and as they hoped also the will to help them. There was imminent danger of foreign intervention. The previous rulers of Santo Domingo had recklessly incurred debts, and owing to her internal disorders she had ceased to be able to provide means of paying the debts. The patience of her foreign creditors had become exhausted, and at least two foreign nations were on the point of intervention, and were only prevented from intervening by the unofficial assurance of this Government that it would itself strive to help Santo Domingo in her hour of need. In the case of one of these nations, only the actual opening of negotiations to this end by our Government prevented the seizure of territory in Santo Domingo by a European power. Of the debts incurred some were just, while some were not of a character which really renders it obligatory on, or proper for, Santo Domingo to pay them in full. But she could not pay any of them unless some stability was assured her government and people.

Accordingly the Executive Department of our Government negotiated a treaty under which we are to try to help the Dominican people to straighten out their finances. This treaty is pending before the Senate. In the meantime a temporary arrangement has been made which will last until the Senate has had time to take action upon the treaty. Under this arrangement the Dominican Government has appointed Americans to all the important positions in the customs service, and they are seeing to the honest collection of the revenues, turning over 45 per cent to the government for running expenses and putting the other 55 per cent into a safe depositary for equitable division in case the treaty shall be ratified, among the various creditors, whether European or American.

The custom-houses offer well-nigh the only sources of revenue in Santo Domingo, and the different revolutions usually have as their real aim the obtaining possession of these custom-houses. The mere fact that the collectors of customs are Americans, that they are performing their duties with efficiency and honesty, and that the treaty is pending in the Senate, gives a certain moral power to the government of Santo Domingo which it has not had before. This has completely discouraged all revolutionary movement, while it has already produced such an increase in the revenues that the government is actually getting more from the 45 per cent that the American collectors turn over to it than it got formerly when it took the entire revenue. It is enabling the poor harassed people of Santo Domingo once more to turn their attention to industry and to be free from the curse of interminable revolutionary disturbance. It offers to all bona fide creditors, American and European, the only really good chance to obtain that to which they are justly entitled, while it in return gives to Santo Domingo the only opportunity of defense against claims which it ought not to pay, for now if it meets the views of the Senate we shall ourselves thoroughly examine all these claims, whether American or foreign, and see that none that are improper are paid. There is, of course, opposition to the treaty from dishonest creditors, foreign and American, and from the professional revolutionists of the island itself. We have already reason to believe that some of the creditors who do not dare expose their claims to honest scrutiny are endeavoring to stir up sedition in the island and opposition to the treaty. In the meantime I have exercised the authority vested in me by the joint resolution of the Congress to prevent the introduction of arms into the island for revolutionary purposes.

Army and Navy.

We cannot consider the question of our foreign policy without at the same time treating of the Army and the Navy. We now have a very small Army—indeed, one well-nigh infinitesimal when compared with the army of any other large nation. Of course, the Army we do have should be as nearly perfect of its kind and for its size as is possible. I do not believe that any army in the world has a better average of enlisted man or a better type of junior officer; but the Army should be trained to act effectively in a mass. Provision should be made by sufficient appropriations for maneuvers of a practical kind so that the troops may learn how to take care of themselves under actual service conditions; every march, for instance, being made with the soldier loaded exactly as he would be in an active campaign. The Generals and Colonels would thereby have opportunity of handling regiments, brigades and divisions and the commissary and medical departments would be tested in the field. Provision should be made for the exercise at least of a brigade and by preference of a division in marching and embarking at some point on our coast and disembarking at some other point and continuing its march. The number of posts in which the Army is kept in time of peace should be materially diminished and the posts that are left made correspondingly larger. No local interests should be allowed to stand in the way of assembling the greater part of the troops which would at need form our field armies in stations of such size as will permit the best training to be given to the personnel of all grades, including the high officers and staff officers. To accomplish this end we must have not company or regimental garrisons, but brigade and division garrisons.

Our Navy must, relatively to the navies of other nations, always be of greater size than our Army. We have most wisely continued for a number of years to build up our Navy, and it has now reached a fairly high standard of efficiency. This standard of efficiency must not only be maintained, but increased. It does not seem to me necessary, however, that the Navy should—at least in the immediate future—be increased beyond the present number of units. What is now clearly necessary is to substitute efficient for inefficient units as the latter become worn out or as it becomes apparent that they are useless. Probably the result would be attained by adding a single battle-ship to our Navy each year, the superseded or outworn vessels being laid up or broken up as they are thus replaced. The four single-turren monitors built immediately after the close of the Spanish war, for instance, are vessels which would be of but little use in the event of war. The money spent upon them could have been more usefully spent in other ways. Thus it would have been far better never to have built a single one of these monitors and to have put the money into an ample supply of reserve guns. Most of the smaller cruisers and gunboats, though they serve a useful purpose so far as they are needed for international police work, would not add to the strength of our Navy in a conflict with a serious foe. There is urgent need of providing a large increase in the number of officers, and especially in the number of enlisted men.

Naturalization Laws.

During the past year evidence has accumulated to confirm the expressions contained in my last two annual messages as to the importance of revising by appropriate legislation our system of naturalizing aliens. I appointed last March a commission to make a careful examination of our naturalization laws, and to suggest appropriate measures to avoid the notorious abuses resulting from the improvident or unlawful granting of citizenship. This commission, composed of an officer of the Department of State, the Department of Justice, and of the Department of Commerce and Labor, has discharged the duty imposed upon it, and has submitted a report, which will be transmitted to the Congress for its consideration, and, I hope, for its favorable action.

Breaches of Trust in Public Service.

There seems to be no statute of the United States which provides for the punishment of a United States Attorney or other officer of the Government who corruptly agrees to wrongfully do or wrongfully refrain from doing any act when the consideration for such corrupt agreement is other than one possessing money value. This ought to be remedied by appropriate legislation. Legislation should also be enacted to cover, explicitly, unequivocally and beyond question, breach of trust in the shape of prematurely divulging official secrets by an officer or employe of the United States, and to provide a suitable penalty therefor. Such officer or employe owes the duty to the United States to guard carefully and not to divulge or in any manner use prematurely information which is accessible to the officer or employe by reason of his official position. Most breaches of public trust are already covered by the law, and this one should be.

Public-Land Laws.

Once again I call your attention to the condition of the public-land laws. Recent developments have given new urgency to the need for such changes as will fit these laws to actual present conditions. The honest disposal and right use of the remaining public lands is of fundamental importance. The iniquitous methods by which the monopolizing of the public lands is being brought about under the present laws are becoming more generally known, but the existing laws do not furnish effective remedies. The recommendations of the Public Lands Commission upon this subject are wise and should be given effect.

The creation of small irrigated farms under the reclamation act is a powerful offset to the tendency of certain other laws to foster or permit monopoly of the land. Under that act the construction of great irrigation works has been proceeding rapidly and successfully, the lands reclaimed are eagerly taken up, and the prospect that the policy of National irrigation will accomplish all that was expected of it is bright. The act should be extended to include the State of Texas.

The reclamation act derives much of its value from the fact that it tends to secure the greatest possible number of homes on the land, and to create communities of freeholders, in part by settlement on public land, in part by forcing the subdivision of large private holdings before they can get water from Government irrigation works. The law requires that no right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one landowner. This provision has excited active and powerful hostility, but the success of the law itself depends on the wise and firm enforcement of it. We cannot afford to substitute tenants for freeholders on the public domain.

The forest policy of the Administration appears to enjoy the unbroken support of the people. The great users of timber are themselves forwarding the movement for forest preservation. All organized opposition to the forest reserves in the West has disappeared. Since the consolidation of all Government forest work in the National Forest Service there has been a rapid and notable gain in the usefulness of the forest reserves to the people and in public appreciation of their value. The National parks within or adjacent to forest reserves should be transferred to the charge of the Forest Service also.

Merchant Marine.

To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reinforce our battle line. It can not but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Europe if they wish security and dispatch. Even on the Pacific, where our ships have held their own better than on the Atlantic, our merchant flag is now threatened through the liberal aid bestowed by other governments on their own steam lines. I ask your earnest consideration of the report with which the Merchant Marine Commission has followed its long and careful inquiry.

Pensions.

It is a matter of unmixed satisfaction once more, to call attention to the excellent work of the Pension Bureau; for the veterans of the Civil War have a greater claim upon us than any other class of our citizens. To them, first of all among our people, honor is due.

Seven years ago my lamented predecessor, President McKinley, stated that the time had come for the Nation to care for the graves of the Confederate dead. I recommend that the Congress take action toward this end. The first need is to take charge of the graves of the Confederate dead who died in Northern prisons.

Immigration.

The question of immigration is of vital interest to this country. In the year ending June 30, 1905, there came to the United States 1,026,000 alien immigrants. In other words, in the single year that has just elapsed there came to this country a greater number of people than came here during the 169 years of our Colonial life which intervened between the first landing at Jamestown and the Declaration of Independence. It is clearly shown in the report of the Commissioner-General of Immigration that while much of this enormous immigration is undoubtedly healthy and natural, a considerable proportion is undesirable from one reason or another; moreover, a considerable proportion of it, probably a very large proportion, including most of the undesirable class, does not come here of its own initiative, but because of the activity of the agents of the great transportation companies. These agents are distributed throughou Europe, and by the offer of all kinds of inducements they wheedle and cajole many immigrants, often against their best interest, to come here. The most serious obstacle we have to encounter in the effort to secure a proper regulation of the immigration to these shores arises from the determined opposition of the foreign steamship lines who have no interest whatever in the matter save to increase the returns on their capital by carrying masses of immigrants hither in the steerage quarters of their ships.

The questions arising in connection with Chinese immigration stand by themselves. The conditions in China are such that the entire Chinese coolie class, that is, the class of Chinese laborers, skilled and unskilled, legitimately come under the head of undesirable immigrants to this country, because of their numbers, the low wages for which they work and their low standard of living. Not only is it to the interest of this country to keep them out, but the Chinese authorities do not desire that they should be admitted. At present their entrance is prohibited by laws amply adequate to accomplish this purpose. These laws have been, are being and will be, thoroughly enforced. The violations of them are so few in number as to be infinitesimal and can be entirely disregarded. There is no serious proposal to alter the immigration laws as regards the Chinese laborer, skilled or unskilled, and there is no excuse for any man feeling or affecting to feel the slightest alarm on the subject.

But in the effort to carry out the policy of excluding Chinese laborers, Chinese coolies, grave injustice and wrong have been done by this Nation to the people of China, and therefore ultimately to this Nation itself. Chinese students, business and professional men of all kinds—not only merchants, but bankers, doctors, manufacturers, professors, travelers and the like—should be encouraged to come here and treated on precisely the same footing that we treat students, business men, travelers and the like of other nations. Our laws and treaties should be framed, not so as to put these people in the excepted classes, but to state that we will admit all Chinese, except Chinese of the coolie class, Chinese skilled or unskilled laborers. There would not be the least danger that any such provision would result in any relaxation of the law about laborers. These will, under all conditions, be kept out absolutely. But it will be more easy to see that both justice and courtesy are shown, as they ought to be shown, to other Chinese, if the law or treaty is framed as above suggested. Examinations should be completed at the port of departure from China. For this purpose there should be provided a more adequate Consular service in China than we now have. The appropriations, both for the offices of the Consuls and for the office forces in the Consulates, should be increased.

This Government has the friendliest feeling for China and desires China's well-being. We cordially sympathize with the announced purpose of Japan to stand for the integrity of China. Such an attitude tends to the peace of the world.

The Civil Service.

The civil service law has been on the statute books for 22 years. Every President and a vast majority of heads of departments who have been in office during that period have favored a gradual extension of the merit system. The more thoroughly its principles have been understood the greater has been the favor with which the law has been regarded by administrative officers. Any attempt to carry on the great executive departments of the Government without this law would inevitably result in chaos. The Civil Service Commissioners are doing excellent work, and their compensation is inadequate considering the service they perform.

Adulteration of Foods.

I recommend that a law be enacted to regulate interstate commerce in misbranded and adulterated foods, drinks and drugs. Such law would protect legitimate manufacture and commerce, and would tend to secure the health and welfare of the consuming public. Traffic in foodstuffs which have been debased or adulterated so as to injure health or to deceive purchasers should be forbidden.

National Parks.

I call your attention to the generous act of the State of California in conferring upon the United States Government the ownership of the Yosemite Valley and the Mariposa Big Tree Grove. There should be no delay in accepting the gift, and appropriations should be made for the including thereof in the Yosemite National Park, and for the care and policeing of the park. California has acted most wisely as well as with great magnanimity in the matter. There are certain mighty natural features of our land which should be preserved in perpetuity for our children and our children's children. In my judgment the Grand Canyon of the Colorado should be made into a National park. It is greatly to be wished that the State of New York should copy as regards Niagara what the State of California has done as regards the Yosemite. Nothing should be allowed to interfere with the preservation of Niagara Falls in all their beauty and majesty. If the state cannot see to this then it is earnestly to be wished that she should be willing to turn it over to the National Government, which should in such case (if possible, in conjunction with the Canadian government) assume the burden and responsibility of preserving unharmed Niagara Falls; just as it should gladly assume a similar burden and responsibility for the Yosemite National Park, and as it has already assumed them for the Yellowstone National Park. Adequate provision should be made by the Congress for the proper care and supervision of all these National parks. The boundaries of the Yellowstone National Park should be extended to the south and east to take in such portions of the abutting forest reservation as will enable the Government to protect the elk on their Winter range.

Life-Saving Service.

I call your especial attention to the desirability of giving to the members of the Life-Saving Service pensions such as are given to firemen and policemen in all our great cities. The men in the Life-Saving Service continually and in the most matter of fact way do deeds such as make Americans proud of their country. They have no political influence; and they live in such remote places that the really heroic services they continually render receive the scantiest recognition from the public. It is unjust for a great nation like this to permit these men to become totally disabled or to meet death in the performance of their hazardous duty and yet to give them no sort of reward. If one of them serves 30 years of his life in such a position he should surely be entitled to retire on half pay, as a fireman or policeman does, and if he becomes totally incapacitated through accident or sickness or loses his health in the discharge of his duty he or his family should receive a pension just as any soldier should. I call your attention with especial earnestness to this matter because it appeals not only to our judgment but to our sympathy; for the people on whose behalf I ask it are comparatively few in number, render incalculable service of a particularly dangerous kind, and have no one to speak for them.

Indians.

During the year just past, the phase of the Indian question which has been most sharply brought to public attention is the larger legal significance of the Indian's introduction into citizenship. This has made itself manifest not only in a great access of litigation in which the citizen Indian figures as a party defendant and in a more widespread disposition to levy local taxation upon his personalty, but in a decision of the United States Supreme Court which struck away the main prop on which has hitherto rested the Government's benevolent effort to protect him against the evils of intemperance. The court holds, in effect, that when an Indian becomes, by virtue of an allotment of land to him, a citizen of the state in which his land is situated, he passes from under Federal control in such matters as this, and the acts of the Congress prohibiting the sale or gift to him of intoxicants become substantially inoperative. It is gratifying to note that the states and municipalities of the West which have most at stake in the welfare of the Indians are taking up this subject and are trying to supply, in a measure at least, the abdication of its trusteeship forced upon the Federal Government. Nevertheless, I would urgently press upon the attention of the Congress the question whether some amendment of the internal revenue laws might not be of aid in prosecuting those malefactors, known in the Indian country as "bootleggers," who are engaged at once in defrauding the United States Treasury of taxes and, what is far more important, in debauching the Indians by carrying liquors illicitly into territory still completely under Federal jurisdiction.

The Philippines.

During the last year the Philippine Islands have been slowly recovering from the series of disasters which, since American occupation, have greatly reduced the amount of agricultural products below what was produced in Spanish times. The war, the rinderpest, the locusts, the drought and the cholera have been united as causes to prevent a return of the prosperity much needed in the islands. The most serious is the destruction by the rinderpest of more than 75 per cent of the draft cattle, because it will take several years of breeding to restore the necessary number of these indispensable aids to agriculture. The Commission attempted to supply by purchase from adjoining countries the needed cattle, but the experiments made were unsuccessful. Most of the cattle imported were unable to withstand the change of climate and the rigors of the voyage and died from other diseases than rinderpest.

Reduction of Tariff Needed.

The agricultural conditions of the islands enforce more strongly than ever the argument in favor of reducing the tariff on the products of the Philippine Islands entering the United States. I earnestly recommend that the tariff now imposed by the Dingley act upon the products of the Philippine Islands be entirely removed, except the tariff on sugar and tobacco, and that that tariff be reduced to 25 per cent of the present rates under the Dingley act; that after July 1, 1909, the tariff upon tobacco and sugar produced in the Philippine Islands be entirely removed and that free trade between the islands and the United States in the products of each country then be provided for by law.

Hawaii.

In my judgment immediate steps should be taken for the fortification of Hawaii. This is the most important point in the Pacific to fortify in order to conserve the interests of this country. It would be hard to overstate the importance of this need. Hawaii is too heavily taxed. Laws should be enacted setting aside for a period of, say, 20 years 75 per cent of the internal revenue and customs receipts from Hawaii as a special fund to be expended in the islands for educational and public buildings, and for harbor improvements and military and naval defenses. It cannot be too often repeated that our aim must be to develop the Territory of Hawaii on traditional American lines. That territory has serious commercial and industrial problems to reckon with; but no measure of relief can be considered which looks to legislation admitting Chinese and restricting them by statute to field labor and domestic service. The status of servility can never again be tolerated on American soil. We cannot concede that the proper solution of its problems is special legislation admitting to Hawaii a class of laborers denied admission to the other states and territories. There are obstacles, and great obstacles, in the way of building up a representative American community in the Hawaiian Islands; but it is not in the American character to give up in the face of difficulty. Many an American commonwealth has been built up against odds equal to those that now confront Hawaii.

Porto Rico.

I earnestly advocate the adoption of legislation which will explicitly confer American citizenship on all citizens of Porto Rico. There is, in my judgment, no excuse for failure to do this. The harbor of San Juan should be dredged and improved. The expenses of the Federal Court of Porto Rico should be met from the Federal Treasury, and not from the Porto Rican treasury. The elections in Porto Rico should take place every four years, and the Legislature should meet in session every two years. The present form of government in Porto Rico, which provides for the appointment by the President of the members of the executive council or upper House of the Legislature, has proved satisfactory and has inspired confidence in property-owners and investors. I do not deem it advisable at the present time to change this form in any material feature. The problems and needs of the island are industrial and commercial rather than political.

Alaska.

I earnestly ask that Alaska be given an elective delegate. Some person should be chosen who can speak with authority of the needs of the territory. The Government should aid in the construction of a railroad from the Gulf of Alaska to the Yukon River, in American territory. In my last two messages I advocated certain additional action on behalf of Alaska. I shall not now repeat those recommendations, but I shall lay all my stress upon the one recommendation of giving to Alaska some one authorized to speak for it. I should prefer that the delegate was made elective, but if this is not deemed wise then make him appointive. At any rate, give Alaska some person whose business it shall be to speak with authority on her behalf to the Congress. The natural resources of Alaska are great. Some of the chief needs of the peculiarly energetic, self-reliant, and typically American white population of Alaska were set forth in my last message. I also earnestly ask your attention to the needs of the Alaskan Indians. All Indians who are competent should receive the full rights of American citizenship. It is, for instance, a gross and indefensible wrong to deny to such hard-working, decent-living Indians as the Metlakahtlas the right to obtain licenses as captains, pilots and engineers, the right to enter mining claims, and to profit by the homestead law. These particular Indians are civilized, and are competent and entitled to be put on the same basis with the white men round about them.

Admission to Statehood.

I recommend that Indian Territory and Oklahoma be admitted as one state and that New Mexico and Arizona be admitted as one state. There is no obligation upon us to treat territorial subdivisions, which are matters of convenience only, as binding us on the question of admission to statehood. Nothing has taken up more time in the Congress during the past few years than the question as to the statehood to be granted to the four territories above mentioned, and after careful consideration of all that has been developed in the discussions of the question I recommend that they be immediately admitted as two states. There is no justification for further delay; and the advisability of making the four territories into two states has been clearly established.

In some of the territories the legislative assemblies issue licenses for gambling. The Congress should by law forbid this practice, the harmful results of which are obvious at a glance.

The Panama Canal.

The treaty between the United States and the Republic of Panama, under which the construction of the Panama Canal was made possible, went into effect with its ratification by the United States Senate on February 23, 1904. The canal properties of the French Canal Company were transferred to the United States on April 23, 1904, on payment of $40,000,000 to that company. On April 1, 1905, the Commission was reorganized, and it now consists of Theodore P. Shonts, chairman; Charles E. Magoon, Benjamin M. Harrod, Rear-Admiral Mordecai T. Endicott, Brigadier-General Peter C. Hains, and Colonel Oswald H. Ernst. John F. Stevens was appointed chief engineer on July 1 last. Active work in canal construction, mainly preparatory, has been in progress for less than a year and a half. During that period two points about the canal have ceased to be open to debate. First, the question of route; the canal will be built on the Isthmus of Panama. Second, the question of feasibility; there are no physical obstacles on this route that American engineering skill will not be able to overcome without serious difficulty, or that will prevent the completion of the canal within a reasonable time and at a reasonable cost. This is virtually the unanimous testimony of the engineers who have investigated the matter for the Government.

Necessity of Dispatch.

The point which remains unsettled is the question of type, whether the canal shall be one of several locks above sea-level, or at sea-level with a single tide lock. On this point I hope to lay before the Congress at an early day the findings of the advisory board of American and European engineers, that at my invitation have been considering the subject, together with the report of the Commission thereon; and such comments thereon or recommendations in reference thereto as may seem necessary.

The American people is pledged to the speediest possible construction of a canal adequate to meet the demands which the commerce of the world will make upon it, and I appeal most earnestly to the Congress to aid in the fulfillment of the pledge. Gratifying progress has been made during the past year and especially during the past four months. The greater part of the necessary preliminary work has been done. Actual work of excavation could be begun only on a limited scale till the Canal Zone was made a healthful place to live in and to work in. The Isthmus had to be sanitated first. This task has been so thoroughly accomplished that yellow fever has been virtually extirpated from the Isthmus and general health conditions vastly improved. The same methods which converted the island of Cuba from a pest hole, which menaced the health of the world, into a healthful place of abode, have been applied on the Isthmus with satisfactory results. There is no reason to doubt that when the plans for water supply, paving, and sewerage of Panama and Colon and the large labor camps have been fully carried out, the Isthmus will be, for the Tropics, an unusually healthy place of abode. The work is so far advanced now that the health of all those employed in canal work is as well guarded as it is on similar work in this country and elsewhere.

What is needed now and without delay is an appropriation by the Congress to meet the current and accruing expenses of the Commission. The first appropriation of $10,000,000, out of the $135,000,000 authorized by the Spooner act, was made three years ago. It is nearly exhausted. There is barely enough of it remaining to carry the Commission to the end of the year. Unless the Congress shall appropriate before that time all work must cease. To arrest progress for any length of time now, when matters are advancing so satisfactorily, would be deplorable. There will be no money with which to meet pay-roll obligations and none with which to meet bills coming due for materials and supplies; and there will be demoralization of the forces, here and on the Isthmus, now working so harmoniously and effectively, if there is delay in granting an emergency appropriation. Estimates of the amount necessary will be found in the accompanying reports of the Secretary of War and the Commission.

The Department of State.

I recommend more adequate provision than has been made heretofore for the work of the Department of State. Within a few years there has been a very great increase in the amount and importance of the work to be done by that department, both in Washington and abroad. This has been caused by the great increase of our foreign trade, the increase of wealth among our people, which enables them to travel more generally than heretofore, the increase of American capital which is seeking investment in foreign countries, and the growth of our power and weight in the councils of the civilized world. There has been no corresponding increase of facilities for doing the work afforded to the department having charge of our foreign relations.

THEODORE ROOSEVELT.

The White House, Dec. 5, 1905.

MITCHELL IS DEAD

Oregon's Aged Senator Passes Away Suddenly.

DEATH DUE TO HEMORRHAGE

For More Than 40 Years a Leading Figure in Both Oregon and National Politics.

Portland, Dec. 8. — United States Senator John H. Mitchell died in Good Samaritan hospital early this morning, following a furious hemorrhage of the gums which began yeste day and which the doctors were unable to check.

Excessive loss of blood resulting from the loss of four teeth yesterday morning made it necessary that Senator Mitchell be removed to Good Samaritan hospital. He sank rapidly. The flow of blood was not continuously heavy, but came at intervals. The senator grew weaker after each hemorrhage.

Finally it was decided to use transfusion, the injection of a saline solution into the veins in order to furnish more fluid for the system and to stimulate circulation. Temporary relief was obtained in that way and the patient was apparently improved in condition for a brief time.

For some time Senator Mitchell has been a sufferer from diabetic trouble, and this, together with the severe mental strain which has been upon him for months past, have weakened his vitality and rendered his system exceedingly susceptible to any tax which is put upon it. His blood, too, has become thin and impoverished, so that it does not coagulate as that of a person in normal condition. To these facts is due the persistency of the hemorrhage and the inability of the physicians to stop the loss of blood by the usual means.

John H. Mitchell was born June 22, 1835, at Butler, Pennsylvania. At the time of his death he was 70 years, 6 months and 6 days. For more than 45 years he has been a resident of Portland. For more than 40 years he has been a leading figure in Oregon and national politics.

Oregon has known no other political character that occupied a prominent position in state affairs so long, nor who has been identified with the state's development in such a measure. No public enterprise since the year 1860 in behalf of the state has been without his aid.

PROVIDES FOR CANAL.

House Appropriates $11,000,000 for Immediate Use.

Washington, Dec. 8.—An appropriation of $11,000,000 was voted to the Panama canal by the house yesterday. The amount was a compromise between the $16,500,000 carried in the bill under consideration and an estimate of something over $6,000,000 recommended by Williams.

This was the only business transacted by the house, and at 3:35 adjournment was taken until Monday.

Washington, Dec 8.—The subject of campaign contributions by insurance companies occupied the major portion of the time of the senate yesterday. It came up in connection with Tillman's resolution calling for an investigation of national banks' aid in politics, and was exploited by the South Carolina senator in a speech of some length. The address dealt with the president's recommendations for the punishment of bribery in elections; with Senator Platt's testimony before the New York investigating committee and various pertinent matters. It was couched in characteristic language, and attracted much attention. The resolution directing the secretary of the treasury to report whether the reports of the national bank examiners show that the banks have made campaign contributions in recent years was adopted at the close of Tillman's remarks.

At 2:18 the senate adjourned until Monday.

Try to Check Emigration.

Dublin, Dec. 8.—The Catholic Bishops of Ireland are making another attempt to stem the tide of Irish emigration. A circular signed by Cardinal Logue and Bishop Sheehan, of the diocese of Waterford, has been ordered read in the churches throughout Ireland, warning the younger generation of the evils of emigration, appealing to the people not to be lured by the enticements held forth in letters from the United States and especially dangers that beset the path of girls emigrating to that country.

After Kansas Grabbers.

Topeka, Kan., Dec. 8. — Henry S. Boice, of Kansas City, president of the H. S. Boice Cattle company, and all the officers of that company, as well as the company itself, were indicted today for illegally fencing in government lands in Morton county, Kansas. There were four indictments against Boice and his associates, each being a joint bill against all of the officials of the company. An indictment was returned against A. B. Lynch and Robert Metton, cattlemen, of Stevens county, also for illegal fencing.

Estimates for 1907, $622,723,151.

Washington, Dec. 8. — The annual book of estimates of appropriations required for the government service for the fiscal year ending June 30, 1907, was transmitted to congress yesterday by the secretary of the treasury. The total for all departments, including deficiencies, miscellaneous and permanent annual appropriations, for the current fiscal year were $629,739,097, and the estimates were placed at $691,669,852.

Turkish Trouble is Ended.

Paris, Dec. 8. — The foreign office here considers that the controversy between the powers is practically closed, and that only details remain to be settled previous to securing a satisfactory adjustment. The international fleet is remaining inactive pending the conclusions of these details.