MESSAGE IS READ

Serate and House Receive Document in Usual Form.

RATE SUPERVISION THE THEME

Urges Economy in Public Expenditures-Monroe Doctrine-Reduce Philippine Tariff,

The most is portant 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 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 ingenity can but partially repair the disaster. A general failure of crops would hurtail 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 guity of the folly. A panic brought on by the speculative folly of part of the 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 elizen, no matter whether his work be mental or manual, whether he be farmer or wageworker, business fran 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 mendense so by enabling them to produce more than they could produce without his guidence; and both he and they share in the benefit others 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 shir sharing, and that the benefit comes in some degree to each

may be unequal must never bilind us to the underlying fact that there is this sharing, and that the benefit comes in some degree to each man concerned. Normally the waseworker, 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 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.

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

agreements would make the railroads themsolves 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 powers I recommend-as indeed the vitally

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 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 furnish authoritative answer on behalf of the railroad whenever irrational clamor against it is railsed, 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 leoparded by the practices of their dis-honest competitors. This legislation should be furnish authoritative answer on behalf of the chiefly jeoparded by the practices of their dis-honest 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 storn any ef-fort 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. Insurance.

The great insurance companies afford strik-The great insurance companies afford strik-ing 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 regula-tion by the parent states. In my last an-nual message I recommended "that the Con-gress carefully consider whether the power of the bureau of corporations cannot constitu-tionally be extended to cover interstate trans-actions in insurance. The Recent events have acter of insurance, for in the absence of tionally be extended to cover interstate trans-actions in insurance." Recent events have acter of insurance, for in the absence of emphasized the importance of an early and ex-haustive consideration of this question, to see whether it is not possible to furnish bet-ter safeguards than the several states have been able to furnish axainst corruntion of the flagrant kind which has been exposed. It has been only too clearly shown that certain the fingrant 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 athical 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 and especially among business men and in the gravet profession of the law, and in the gravet profession of the law, and in the gravet profession of the law, and in the gravet profession of the policy of a pirit 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 it to take charge of the graves of interminable revolutionary disturbance. It offers whether in rich man or in poor man, whether to all bona fide creditors, American and European, the only really good chance to obtain that to which they are justly entitled, not only drastic but practical. There is need it to take charge of the graves of the Confederate dead who died in Northern proposed.

Immigration.

The question of immigration is of vital interest to this country. In the year ending the only opportunity of defense against 1,026,000 allen immigrants. In other words, the full that the views of the Senste we came to this country a greater number of the policy of other nations by providing adequate national supervision of commercial interests which are clearly National in char-

acter. 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 char-Pederal 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.

Economy in Expenditures.

Economy in Expenditures. 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 unnecescials, 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.

Federal Elections.

In my last annual message I said: "The power of the Government to protect the integrity of the elections of its own offi-The power of the develons 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 leg'timate 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 exterted 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 misconducts but if it is possible to secure cials is inherent and has been recognized

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.

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 appenied 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 mations were on the point of intervention, and were only prevented from intervening by the unofficial assurance of this Government that it would the verge of dissolution. Fortunately, just surance of this Government that it would surance of this Government that it would itself strive to help Sanio 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 selzure of territory in Santo Dominion of the delivery of Furguery Process Control of the delivery of Furguery Process Control of the delivery of t

vented the seizure of territory in Santo Do-mingo 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 fuil. 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 Domini-can Government has appointed Americans to can 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 ex-penses 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

American.

The custom-houses offer well-nigh the only sources of revenue in Santo Domingo, 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 Senete elections. 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

Army and Navy.

intion 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. Provisions should be made by sufficient appreciations for maneuvers of a practical kind so that the troops may learn how to take care of themselvee 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 posts in which the Army is kept in time of 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 Army, We kave most wisely continued for a number of online when the fieldency must not only be maintained, but increased. It does not seem to me necessary, however, that the Na

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 allens. 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 of 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. During the past year evidence has accu-

Brenches of Trust in Public Service.

santo Domingo.

Santo Domingo in the rum, has now made a United States Altorney or other officer of wwongfully do or wrongfully do or wrongfully december to the Government who corruptly agreement is other than one possessing money value. This ought to be emedied by appropriate legislation. Legislation such corrupt agreement is other than one possessing money value. This ought to be emedied by appropriate legislation. Legislation such corrupt agreement is other than one possessing money value. This ought to be emedied by appropriate legislation. Legislation of the united States Altorney or other officer of wwongfully do or wrongfully do or wrongfu 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 ondition 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 mo-nopolizing 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 rubble Lands Commission upon this subject are wise

Lands Commission upon this subject are wise and should be given effect.

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. of the Forest Service also.

Merchant Marine.

To the spread of our trade in peace and the defense of our fing in war a great and pros-perous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral marour own to convey our goods to neutral mar-kets, and in case of need to reinforce our kets, 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.

Pensions.

matter of unmixed satisfaction 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 McKinler, 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 first need is to take charge of the graves of the Confederate dead who died in Northern

There is, of course, opposition to the treaty from dishonest creditors, foreign and American, and from the professional revolution-lists of the Island livelf. 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 ireaty. 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 Nayy.

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.

ership of the Yosemite Valley and the Mariposa Big Tree Grove. There should be no delay in accepting the gift, and appropria-tions should be made for the including thereof in the Yosemlie National Park, and for the care and policeins 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 Canyon of the Colorado should be made into 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 as-sume a similar burden and responsibility for the Versentie Selfons, burden and responsibility for the Yosemite National Park, and as it has already assumed them for the Yellow National Park. Adequate provision i be made by the Congress for the care and supervision of all these National parks.

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 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 tect 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 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 ald in prosecuting those malefactors, known in the Indian country as "photlessers." who are supported. 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 illicity into territory still completely under Federal jurisdiction.

The Philippines

The Philippines.

During the last year the Philippine Islands have been slowly recovering from the series of diensters 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 dis-

eases 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

the report of the Commissioner-Gimenal of Immigration that while much of this enormous immigration to undoubtedly healthy and naturally a considerable proportion is undesirable from one reason or another; moreover, a control of the control of the

I earnestly ask that Alaska be given an condaily sympathize with the announced purpose of Japan to stand for the interrity of China. Such an attitude tends to the ponce of the world.

The Civil Service.

The Civil Service.

The civil service law has been on the statute books for 12 years. Every Fresident and a vast majority of heads of departments who have been in office during that period have favored a gradual extension of the merit government 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 compensations is inadequate considering the service they perform.

Adultoration of Feeds.

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 Maripova Big Tree Grove. There should be not the same basis with the white men round about them.

Admission to Statehood.

I recommend that Tallay and the Maripova Big Tree Grove. There should be not the same basis with the white men round about them.

Admission to Statehood. elective delegate. Some person should be chosen who can speak with authority of the needs of the territory. The Government

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 mat-ters of convenience only, as binding us on the question of admission to statchood. Nothing has taken up more time in the Congress during the past rew years than the question as to the statchood to be granted to the four erritories above mentioned, and after careful consideration of all that has seen 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.

The Panama Canal,

The treaty between the United States and the Republic of Panama, under which the construction of the Panama Canal was made 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 y the United States Senate on February 23, Active work in canal construction, mainly preparatory, has been in progress for less than a year and a haif. 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 feasi-bility; there are no physical obstacles on this route that American engineering skill will not be able to overcome without serious dif-ficulty, 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 Gov-

rnment, 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 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 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.

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 counwhich is seeking investment in foreign countries, and the growth of our power and weight in the councils of the divilized world. There has been no corresponding increase of facilities for doing the work afforded to the department having charge of our foreign relations.