MESSAGE IS READ

STATE OF A

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 president's message follow: To the Senate and House of Representatives: 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 be the country of the country to th

wrath of the Lord the wisdom of man calmot avail; in times of flood or dr.ught human ingenuity can but partially repair the disaster. A general failure of crops would hurt alt 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 penile bought on by the of the folly. A panic brought on by the speculative folly of part of the business com-munity would hurt the whole business com-munity. But such stoppage of welfare, though It might be severe, would not be lasting. In the long run the one vital factor in the per-matent prosperity of the country is the high Individual character of the average American worker, the average American citizen, no mat-ter whether his work be mental or manual, whether he be farmer or wageworker, busi-

ness man or professional man,

ness 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 canasity who becomes man of great productive capacity who becomes 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 guid-ance; 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 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,

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 them-selves 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 them-selves 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, agree-ments 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 Comgreat as the necessity for giving the Com-mission 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 possesses and is exercising wast 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 maxi-mum rate, which rate, after the lapse of a reasonable time, goes into full effect, sub-

fect to review by the courts. ject 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 saginst the welfare not mere tilty would tell saginst the welfare not mere. tility 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 wish to do well should not be exposed to competition with those who have no such de-sire, 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 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 jeoparded 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 just as much as we should scorn any to make us look down upon or treat contemptuously any man because he is poor. 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 regulastrict 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." Recent events have acter of insurance, for in the absence of 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 ter safeguards than the several states have been able to furnish against corruption of the fiagrant 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

tries against American insurance companies. These negotiations illustrated the propriety of the Congress recognizing the National charbederal 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. I carnestly 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 office a saving of about a quar-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 clais, and this fact renders it all the more important that when affices become unnecessary they should be abolished. In the public printing also a large saving of public money can be made. There is a constanting 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 officials is inherent and has been recognized and affirmed by repeated deciarations of the Supreme Court. There is no enemy of free government more dangerous and none so insidious as the corruption of the electorate. 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 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 large. The superficial fact that the sharing leg'timate kind. This, of course, means that may be unequal must never blind us to the many contributions, and some of them of underlying fact that there is this sharing, and large size, must be made, and, as a matter 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 sumer, as well as the average producer, are related to the sum of exceptional business ability receives an exceptional business ability receives an exceptional business ability or promise expense or implied direct or inthat 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 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 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 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 the conditions to any political committee or for any political committee or for any political purpose should be forbidden by law, directors should not be permitted to 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 Legis-latures 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.

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 develop-ment 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 merits. The conditions in Santo Domingo have for a number of years grown from had 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 dangers threatening their country and apand powerful neighbor who possessed and as they hoped also the will to hem. There was imminent danger of help them. 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 pre-vented 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 vented the seizure of territory in Santo 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 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 Dominitreaty. Under this arrangement the Domini-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 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 oreditors, whether European

The custom-houses offer well-nigh the only sources of revenue in Santo Domingo, the different revolutions usually have 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 Sante Dominyo which it has not had before. This 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 plete 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 wast 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 charover to it than it got formerly

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, commands. from dishenest 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 revulutionary purposes. lutionary purposes.

Army and Navy. We cannot cansider the question of our for-eign policy without at the same time treating of the Army and the Navy. We now have a very small Army-indeed, one well-nigh in-finitesimal when compared with the army of 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 masse. 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 leaded exactly as he would be in an active campaign. The Generals and Colone's 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 in which the Army is kept in time of posts in which the Army is kept in time 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 Navy must, relatively to the navies of 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 beas the latter become worn out or as it be-comes apparent that they are useless. Prob-ably 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 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 moneys 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 semaller cruisers and sunboate, though they serve a useful purpose so far as they are needed for international police work, 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.

During the past year evidence has accu-mulated to confirm the expressions con-tained in my last two annual messages as to the importance of revising by appro-priate legislation our system of naturalizing aliens. I appointed last March a commis-sion to make a careful examination of our naturalization laws, and to suggest appro-priate measures to avoid the notorious abuses resulting from the important or address resulting from the improvident of unlawful granting of citizenship. This com-mission, composed of an officer of the De-partment of State, the Department of Jus-tice, 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

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 possessing money value. This ought to be remedied by appropriate legislation. Legislation should also be enacted to gover, ex-plicitly, 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, er or employe owes the duty to the United States to guard carefully and not to divulge or in any manner use prematurely infor-mation 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 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 reme-dies. The recommendations of the Public 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 pears to the great users of timber are them-people. The great users of timber are them-selves forwarding the movement for forest preservation. All organized opposition to the forest reserves in the West has disappeared. Since the consolidation of all Government for-est 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 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 battle line. It can not but be a source of re-gret and uneasiness to us that the lines of communitation with our sister republics of South America should be chiefly under for-eign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Burope 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

followed its long and careful inquiry.

earnest consideration of the report with h the Merchant Marine Commission has

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 McKiniev, 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

Immigration.

first need is to take charge of the graves of the Confederate dead who died in Northern

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 allen immigrants. In other words, in the single year that has just clapsed there came to this country a greater number of but the experiments made were unsuccessful. There has been no corresponding increase of people than came here during the 160 years of Most of the cattle imported were unable to facilities for doing the work afforded to the sur Colonial life which intervened between the withstand the change of climate and the right first landing at Jamestown and the Declara- ore of the voyage and died from other dislations.

tion of Independence. It is clearly shown in cases than rinderment, the report of the Commissioner-General of Reduction of the report of the Commissioner-General Immigration that while much of this enorm immigration is undoubtedly healthy and natural, a considerable proportion is undoserable 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 for the prope, and by the offer of all kinds of inducements they wheedle and calole many immigrants, often against their hest 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 meases of immigrants hither in the steerage quarters of their ships. Immigration is undoubtedly healthy and natur

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 interrity of of the world,

State of California in conferring upon the United States Government the own ership 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 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 judgmaps the Grand Canyon of the Colorado should be made into a National park. It is greatly to be wished a National park. It is greatly to be wished that the State of New York should copy as regards Ningara what the State of California has done as regards the Yosemite. Noth-ing should be allowed to interfere with the preservation of Niagara Fails in all their beauty and majesty. If the wiste 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 for the Yosemite burden and responsibility Yosemite National Park, and has already assumed them for the Yellow. stone National Park. Adequate provision should be made by the Congress for the proper 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 eignificance of the Indian's introduction into citizenship. This has made itself manifest not only in a great access of litigation rest 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 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 quention whether some amendment of the internal revenue laws might not be of aid in prosecuting these malefactors known in the Indian countries. those malefactors, known in the Indian country as "bootleggers," who are engaged once in defrauding the United States Tre ury of taxes and, what is far more impor-tant, 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 cholers 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 threeding 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. The Philippines.

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 carnesily recommend that upon the products of the Philippine Islands be gnirely 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, 1989, the lariff upon tobacco and sugar produced in the Philippine Islands be entirely removed and that free trade between the islands and the United States is the products of each country then be provided for by law.

Hawaii. Reduction of Tariff Needed.

Hawali.

regulation of the immigration to these shores arises from the determined opposition of the foreign steamshly lines who have no interest whatever in the matter may to increase the returns on their capital by earrying masses of immigrants bither in the steerage quarters of the conditions in Chins are such that the entire Chinese coolle class, that is, the class of Chinese laborers, skilled and unskilled, legitimately come under the head of undesired and instituted and unskilled, legitimately come under the head of undesired and instituted and unskilled, legitimately come under the head of undesired and instituted and their love enadard of livins. Not only is it to the interest of this country to consider the little of the country of their numbers, the low wages for which they work and their love enadard of livins. Not only is it to the interest of this country to consider the little of the country of their numbers, the low wages for which they work and their love enadard of livins. Not only is it to the interest of this country to complete the little of the country to complete the little of the In my judgment immediate steps should be

litical.

Alask.a

Government has the friendiest feeting. We not and desires China's well-being. We ye sympathize with the announced purJapan to stand for the integrity of Such an attitude tends to the peace world.

The Civil Service.

It earnestly ask that Alaska be given an elective delegate. Some person should be elective delegate. Some hey are needed for international police work, could not add to the strength of our Navy na conflict with a serious foe. There is irgent need of providing a large increase in he number of enlieted men.

The civil service law has been on the statute books for 22 years. Every President and a new number of enlieted men.

Naturalization Laws.

During the past year evidence has accumulated to confirm the expressions contained in my last two annual messages are already of the importance of revising by appropriate legislation our system of naturalizing thins. I appointed last March a commission, to make a careful examination of our animalization laws, and to suggest appropriate measures to avoid the notorious abuses resulting from the improvident or animary of the performance of fan officer of the Department of State, the Department of Commerce and Labor, has discharged the duty imposed upon it, and the begartment of Commerce and Labor, has discharged the duty imposed upon it, and has sumitted a report, whice, 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 attorpey or ther officer of the Braze which grovides for the punishment of a United States Attorpey or other officer of the State of California in conferring the service in the State of California in conferring which has well be put on the same basis with tha which the sum has been on the statute books for 12 years. Every President and a fine and two laws to be not a fine the low has been in office during that period have favored the law has been in office during that period have favored the sum that two annual medicinal accurate which with the construction of the part which and the confirmation of the period have favored the sum that the confirmation of the chief of the swell which this which have the same basis and two of the chief o litted to be put on the same basis with the white men round about them.

Admission to Statchood.

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 after careful consideration of all that has over developed in the discussions of the question I recommend that they be imme-diately admitted as two states. There is no justification for further delay; and the ad-visability 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 construction of the Panama Canal was made possible, went into effect with its ratification by the United States Senate on February 23, 1994. The canal properties of the French Canal Company were transferred to the United States on April 23, 1994, on payment of \$40,000,000 to that company. On April 1, 1995, the Commission was reorganized, and it now consists of Theodore P. Shonts, chairman; Charles E. Magoon, Benjamin M. Harrod, Rear-Admiral Mordecal T. Endicott, Brigadier-General Peter C. Hains, and Colo-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 1sthmus of Panama. Second, the question of feast-bility; 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 Gov-

ernment. What is needed now and without delay is an appropriation by the Congress to meet current and accruing expenses of the Commission. The first appropriation of \$10,-000,000, out of the \$135,800,000 authorized. Commission. by the Spooner act, was made three years ago. It is nearly exhausted. There is bare-ily 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 prog-ress for any length of time now, when mat-ters are advancing so satisfactorily, would be deplorable. There will be no money with which to meet pay-roll obligations and none 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 countries, and the growth of our power and, weight in the councils of the civilized world. There has been no corresponding increase of

War and the Commission.