vidual man, this government cannot men who live in the fowns from men who live in the country; for the vital which contract for life insurance, line of cleavage is the line which divides the honest man who tries to do well by his neighbor from the dishonest man who does ill by his neighbor. In other words, the standard we should establish is the standard of conduct, not the standard of occupation, of means or of social position. It is the man's moral his cleanliness of life, his power to his duty toward himself and toward others, which really count; and if we substitute for the standard of personal judgment which treats each man according to his merits, another standard in accordance with which all men of one class are favored and all men of another class discriminated against, we politic. I believe that our people are too sane, too self respecting, too fit for self government, ever to adopt such an attitude. This government is not and never shall be government by a protocracy. This government is not and never shall be a government by a mob. It it has been in the past, a government based on the theory that each man, ri-h or poor, is to be treated simply and solely on his worth as a man, that all his personal and property gights are to average, taking a series of years to made by political committees." be safeguarded and that he is neither gether, equal the expenditures or else 1 desire to repeat this recommendafrom others.

The nobiest torm of government is self government; but it is also the revenues then our revenue laws must be expense of an entirely legitimate kind. most difficult. We who posses a this readjusted. It is as yet too early to This, of course, means that many conpriceless boon, and who desire to hand it on to our children and our children's children, should ever bear in mind the thought so finely expressed by Burke: desirable that the tarin laws should pro-contributions are always made to both distinct diminution in the number of wars of the sides. It is entirely proper both to national relations have become closer, and in exact proportion to their disposition

jurisdiction of the states which created them as to preclade strict enforcement of supervision and regulation by the parent states. In my last annual message I recommended "that congress carefully consider whether the power of the bureau of corporations cannot constitutionally or extended to cove; Recent events have emphasized the importance of an early and exhaustive sideration 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 clearly shown that certain of the men at the head of these large corporations take but small note of the ethical o.stinction between honesty and dishonesty; they draw the time only this side or what may be called law honesty, the kind of honesty necessary in order to avoid falling into the clutches of the ever. law. Of course the only complete remedy for this condition must be found in ity 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 oe done by legislation waich is not only drastic but paretical. 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 fellow the policy of other nations by providing adequate national supervision of co. umercial 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

I repeat my previous recommendation that the congress should also consider whether the Federal government has any power, or owes any duty with respeet to domestic transactions in insurance of an interstate character. That state supervision has proved inadequate is generally conceded. The burden upon insurance companies, and therefore their policy holders, or conflicting regulations of many states, is unquestioned, while but little effective check is imposed upon any able and unscrupulous man, who desires to exploit the company in his own interest at the expense of the policy holders and of the

longs, the substitution of loyalty to a class for loyalty to the nation. This in evitably brings about a tendency to treat each man not on his merits as an individual, but on his position as belonging to a certain class in the community in which it has become dominant. Unless we continue to keep a nant. Unless we continue to keep a nant.

of the attempt to attain an ideal perfection in the methods of raising revenne; and the snock and strain to the business world certain to attend any serious change in these methods render; to wrong others nor to suffer wrong the revenues must be increased. Last tion. In political campaigns in a coun-

tions. As examples marely, I call your butions by corporations to any political it is work while pointing out that since the attention to one or two specific matters. All unnecessary offices should be be forbidden by law directors should not be permitted to use stockholders' money for policy of disarmament by reducing its little should had. The commissioner of the second necessary onesthird. But disarmament can never es. This will effect a saving of about ime to time a legitimate increase in the linetly legal services. flices become unnecessary they should Hague in 1899, being unable to dispose of all the business before it, recommended the also a large saving of public money can be made. There is a constantly grow- be ing tendency to publish masses of unnot unfair to say that many tens of and of military budgets; (3) the use of thousands of volumes are published at guns. (4) the inviolability of private propwhich no human being ever looks and erty at sea in times of war; (5) or which there is no real demand what bardment of ports, cities and villages 1.y

the worst extravagance. To cut down I on the navy, for instance, would be a on the navy, for instance, would be a delegates to such a conference and suggested erime against the nation. To fail to that it be again held at The Hague. In its push forward all work on the Panama note of December 16, 1904, the United States push forward all work on the Panama

business activity, and in order that Japan. The emperor of Russia, immediatel these rates may be equalized to meet after the treaty of peace which so happing the varying needs of the seasons and of terminated this war, in a note presented to geneins which injuriously affect legiti- The United States government in response ex should be an element of elasticity in part in the new conference and endeaver to our monetary system. Banks are the interest aims. We assume that all civilized governments will support the movement, and that the conference is now an assured fact. den of furnishing and maintaining a This government will do everything circulation adequate to supply the needs of our diversified industries and of our made in the cause of international peace; domestic and foreign commerce; and the issue of this should be so regulated that issue of this should be so regulated that something as to the general attitude of this a sufficient supply should be always government toward peace. More and more available for the business interests of war is coming to be looked upon as in itself

the country." Every consideration of prudence de-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 cummunities and of seasons. Inflation must be avoided; but some provision to fellow the path which leads toward right people can never for a moment hesitate to follow the path which leads toward right. 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 sensons of the year; so that the currency will contract against speculation and will expand for the needs of legitimate business. At present the treatury department is at irregularly recurring intervals obliged, in the interest of the business world—that is, in the

down any general rule by which to de- been recognized and affirmed by re- that knows how to fight and that will not ermine the moment when the reasons peated declarations of the supreme shrink from fighting if ever the condition for will outweigh the reasons against court. There is no enemy of free government more dangerous and none so in so much it is emphatically n course no change can be made on lines that none would oppose vigorous meas- be hampered by a folly which, in criving to beneficial to, or desired by, one section ures to eradicate it. I recommend the achieve the impossible, would render it hope the citizens of the several states, as tions. The detail of such a law may terest of the people as a whole, and under the constitution as it is possible arbiter, and to offer, at least to all civilized there should then be a sincere, intelli- to go, and should include severe penalgent and disinterested effort to make it ties against him who gives or receives a be available in at least a considerable num in such shape as will combine, so far bribe intended to influence his act or through another Hague conference in this as possible, the maximum of good to the opinion as an elector; and provisions direction, and I most earnestly urge that this people at large with the minimum of for the publication not only of the ex- nation do all in its power to try to furthe necessary disregard for the special in- penditures for nominations and electerests of localities or classes. But in tions of all candidates, but also all con- I

year there was a deficit. Unless our try as large and populous as ours it is expenditures can be kept within the inevitable that there should be much be a general arbitration treaty negotiate. attempt to outline want shape such a tributions, and some of them of large readjustment should take, for it is as size must be made, and, as a matter of yet too early to say whether it is not fact, in any big positical contest such vor of any other nation maximum and give and receive them, unless there is operation to their disposition to put moral chains upon their own appetites; in proportion as they are disposed to listen to the courses of the wise and good in preference to the flattery of knaves. Society cannot exist and appetite be placed somewhere, and the less of it there must be without. It is ordained in the eternal constitution of things that men of intemp rate minds cannot be free. Their passions forge their fetters."

Yor of any other nation maximum and minimum tariff rates established by the congress, so as to secure a certain recipe the tween 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 constitution of things that men of intemp rate minds cannot able to announce to you that Russia now treats us on the most-favored-nation of the first passions forge their fetters." tail of all the sums contributed to and for military expenditure expended by the candidates or commit-effort could succeed only gress the need of economy and to this tees of any political parties, the result end of a rigid scrutiny of appropriationnot but be wholesome. All contriquarter of a million dollars a year, in or about any election, but they should so genuine and earnest; because I have As the business of the nation grows it also forbid such use of money in connection inevitable that there should be from ment of counsel in public manner for dis-

Yet, in speaking of economy, I must which at a conference held in the United States and attended by the lawmakers of fifteen different nations, had reiterated the false economy which is in the end demand for a second conference of nations.

of the business world—that is, in the interest the cause which they advocate by tending to only greater interests of the American public—to try of mankind in general, and of his own countracted which should be provided by his own selfsh and contracted and public can milit public. The inability of a state to regulate effectively insurance corporations under the laws of other states and transacting business elsewhere is also clear. As a remedy for this evil of conflicting, ineffective, and yet burof conflicting, ineffective, and interest and aggressive national vanity, and white in the just regard for their obligations into the organization and operations wantonly bring on the spectally wars. The work of the medical departments who may on occusions wantonly bring on the partment of the substances will the collectors of customs are American and the fluxes of their obligations into the organization and operations who may on occusions wantonly bring on their date in just regard for their obligations into the organization and operations who may on occusions wantonly bring on the spectation in the spectation in the spectation in the spectation in the substances will the collectors of customs are American and the fluxes of their obligations into the organization and operations that it is a performing their dates of the conflictions to the conflictions that the other partments of the conflictions to the conflictions to the c

quick and lively sense of the great fundamental truth that our concern is with the individual worth of the individual worth of the individual man, this government cannot pilation of statistics be the limit of the natural machinery should be lamental machinery should be lamentally necessary in order to secure a tleast us well planned, economical righteons peace. As yet there is only a and efficient as the best machinery of national law and internal or ununicipal law, because there is no sanction of force for pilation of statistics be the limit of the at present is not the case. To make it executing the former while there is in the permanently hold the place which it has achieved among the nations. The vital lines of cleavage among our people do not correspond, and indeed run at right angles to, the lines of cleavage which divide occupation, which divide wage workers from capitalists, farmers from bankers, men of small means from men of large means. above applies with equal force to fraternal and benevolent organizations which contract for life insurance.

The Revenues.

I station for transfer, distribution, conthere could be no greater examiny man to the free peoples, the enlightened, independent, and benevolent organizations or parts of organizations or parts of organizations, and for the changes in busithere could be no greater examiny man to the free peoples, the enlightened, independent, and peace loving peoples, to disarm while yet leaving it open to any burbarism or despots of the changes in busithere could be no greater examinty man to the free peoples, the enlightened, independent, and peace loving peoples, to disarm while yet leaving it open to any burbarism or despots of the changes in busithere could be no greater examinty man to the free peoples, the enlightened, independent, and peace loving peoples, to disarm while yet leaving it open to any burbarism or despots of the changes in busiganizations, and for the changes in busithere could be no greater examinty man to the free peoples, the enlightened independent of the free peoples in the free p There is more need of stability than crai departments, that will best pro- and navies of those peoples who on the whole stand for justice, offer not only the best, but mote the economy, efficiency and high the only possible, security for a just peace, character of the government work. Pederal elections.

In my last annual message I said:

"The power of the government to peace of justice—the real peace for which the such change inadvisable unless for protect the integrity of the elections most law abiding and high minded men must quality, his attitude toward the great grave reason. It is not possible to lay of its own officials is inherent, and has is now, only that nation is equipped for peace of its own officials is inherent, and has is now, only that nation is equipped for peace of the content of t become such that war is demanded in the

merely on the needs, but on the desires, sidious as the corruption of the elector of the people as a whole; for needs and desires are not necessarily identical. Of ruption, and it would seem to follow peace of justice among the mations may not other class discriminated against, we or one state only. There must be some-shall do irreparable damage to the body thing like a general agreement among bribery and corruption in Federal electhe citizens of the several states, as tions. The detail of such a law may to strive in every practicable way to bring represented in the congress, that the be safely left to the wise discretion of he the arbiter among nations. At present the change is needed and desired in the in- the congress, but it should go as far practical thing to do is to try to minimize time of peace the revenue must on the tributions received and expenditures able to devise some way to make arbitration During the last century there has been

I have dwelt much on the dangers other states, great or small, on a basis of high honor, respecting their rights as je-

Monroe Roctrine. giving to each nation thereon the chance ! we, but all American republics who are

Business Mcthods in Departments.

At various times I have instituted in-



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and it will be taken at all only with extreme reluctance and when it has become

Moreover, we must make it evident that we quences of its own misdeeds against foreign commits a tort against a foreign nation, suca is an outrage against a citizen of that nation, then the Monroe Doetrine does not force us to interfere to prevent punishment of the assume the form of territorial occupation in any shape. The case is more difficult when it refers to a contractual obligation. Our own government has always refused to en force such contractual obligations on behalf of its citizens by an appeal to arms. It is much to be wished that all foreign govern-ments would take the same view. But they do not; and in consequence we are liable at any time to be brought face to face with disagreeable alternatives. On the one hand, character under duress, while it also insures honest creditors of the republic from being

he people of the country concerned.
This brings me to what should be one of f our sister republics which need such help get as there has been a gradual growth o. he duty of bearing one another's burdens,

entinent. There are of course limits to the an increase in the revenues that the governwrongs which any; self-respecting nation can sendere. It is always possible that wrong actions toward this nation, or toward citizens of this nation, in some state unable to keep order among its own people, unable to secure justice from outsiders, and unwilling to do to turn their attention to industry and to be instituted to those outsiders who treat it wall from the carea of interminable respectively. justice to those outsiders who treat it well, free from the curse of interminable revolu-may result in our having to take action to tionary disturbance. It offers to all bona fide creditors, American and European, the dividually, but especially with regard only really good chance to obtain that to which they are justly entitled, while it in return gives to Santo Domingo the only on they work. The most formidable battle portunity of defense against claims which it is of course helpless against even a legislar of the men aboard it are unable protect our rights; but such action will not fide creditors, American and European, the oe taken with a view to territorial aggression, only really good chance to obtain that to and it will be taken at all only with extreme reluctance and when it has become return gives to Santo Domingo the only opoughly 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 credprofessional revolutionists of the island itseif. of, the creditors who do not dare expose handled; and they cannot be handled at their claims to honest scrutiny are endeavor—without long and careful training.

the proposed treaty the independence of the conty by that

as he would be in an active campaign. The generals and colonels would thereby have

A CONTRACTOR OF THE STATE OF TH

of military medical service.

Our navy must, relatively to the other nations, always be of greater our army. We have most wisely of for a numiter of years to build up of and it has now reached a fairly big and of efficiency. This standard cuery must not culy be mintalized, every must not culy be mintalized, everyed. It does not seem to me to however, that the navy simulates the funnediate fature—be increased by present number of units. What is not y necessary is to substitute officient. efficient units as the latter sectime work or as it becomes apparent that they are less. Probably the result would be att by adding a single battleship to our mayly year, the suparaseded or outworn vessels, laid up or broken up as they are the placed. The four single turret monitom immediately after the close of the Sp war, for instance, are vessels which the of but little use in the event of war, money spent upon them could have been usefully spent in other ways. Thus it where these for better never to have have neefully spent in other ways. Thus it have been far better never to have be single one of these mentters and to have the money into an atuple supply of regans. Most of the Smaller cruisors graboats, though they serve a neeful passe so far as they are needed for i national police work, would not add to strongth of our may in a conflict wisserious fice. There is urgent need of viding a large increase in the number officers, and especially in the number of lated men. Recent naval history has emphasized sain is sons which ought not to, but a

country goes to war. It is a to expect successful administrate of war of a department which of the number of officers. Begg form the medical service in it we need men who are not me they must be trained in the a of military medical service.

or destroyers are indispensable, not only making hight attacks by surprise upon enemy, but even in battle for finishing alre-crippled ships. Under exceptional circ stances submarine boats would doubtless of use. Fast scouts are needed. T strength of the navy however, lies only he in the great battleships, the cide the mastery of the seas. Heavy a cruisers also play a most useful part, unarmed cruisers, if swift enough, are the conning tower, considered not only dividually, but especially with regard to 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.

Under the course taken, stability and order and all the benefits of peace are at least coming to Santo Domingo, danger of foreign intervention has been suspended, and there is at last a prospect that all creditors will get justice, no more and no less. If the arrangement is terminated by the failure of the treaty chaos will follow; and if the treaty chaos.

Naturalization Laws.

(Continued on page 5).