

PRESIDENT'S LAST MESSAGE

(Continued From Page 1.)

Senate and House of Representatives.

Financial standing of the nation at the present time is excellent. The financial management of the government during the last seven years has been the most satisfactory in our history. Our currency system is sound, and it is earnestly to be hoped that the currency commission will propose a thoroughly sound system which will do away with the existing defects.

The period from July 1, 1907, to September 30, 1908, there was an increase in the amount of circulation of \$902,991,100. The increase in the per capita income for this period was \$7.06. Within this period there were several occasions when it was necessary for the department to come to the money market by purchase of United States bonds; by increasing deposits in national banks; by stimulating the issues of national bank notes; and by facilitating importations of gold. Our currency system has made no change necessary.

During the seven years of my administration there has been a surplus of nearly one hundred million dollars over expenditures of nearly ninety millions, the extraordinary expense of the Panama canal, and a saving of nine millions on the annual charge.

It is an exceedingly satisfactory result, especially in view of the fact that during this period the nation never hesitated to undertake any expenditure that it regarded as necessary. There have been no increases of taxes, and no increases of the national debt; on the contrary, some taxes have been taken off; there has been a reduction of taxation.

Corporations.—The great corporations of interstate business, and especially the railroads, I can only repeat what I have already said and again said in my messages to the congress. I believe that the interstate commerce act, which is the foundation of the constitution of the United States, has complete and paramount authority to control all agencies of interstate commerce, and I believe that the national government alone can control this right with wisdom and justice, and to do justice to the great corporations which are the important factors in modern industry. I believe that it is wise to attempt to prohibit all combinations as is done by the Sherman act.

The railroads of the country should be completely under the interstate commerce commission and removed from the domain of the anti-trust law. The power of the commission should be made thorough-

ly earnestly to be wished for the people, through their representatives, should act in this matter. We must be waged against misconduct, against wrong wherever it is found; and we stand heartily for the rights of every decent man, whether he be of great wealth or a man who has his livelihood as a wage-worker or tiller of the soil.

It is to the interest of all of us that there should be a premium put on individual initiative and individual capacity, and an ample reward for great directing intelligences competent to manage the great operations of today.

Often we see the business community in a spirit of unhealthy class feeling deplore the effort to account under the law the men who in their management of great corporations, whether in street railways, or other public enterprises, have behaved in a plain, decent people. Such an attitude cannot be condemned too strongly, for men of property should be made to feel that they jeopardize the right of property when they fail to join in the effort to do away with the abuses of wealth.

Opposition to government control of these great corporations is its most effective effort in the shape of an appeal to the old-fashioned state's rights. Of course there are many sincere men who now are in unrestricted individualism, just as there were formerly many sincere men who believed in slavery—that is, in the unlimited right of an individual to own another individual.

The chief reason, among the many and compelling reasons, that the formation of the national government, was the absolute need of the Union, and not the several states should deal with interstate commerce; and the power should be vested in the national government and not in the states. The national government was created absolutely and plenarily, and the central government and was not to be completely as regards the instruments of interstate commerce.

Our present system, or rather no system, works dreadful wrong, and is of benefit to only one class of people—the lawyers. When a workman is injured what he needs is not an expensive and doubtful lawsuit, but the certainty of relief through immediate administrative action. Pending a thorough-going investigation and action there is certain legislation which should be enacted at once. The law passed at the last session of the congress, granting compensation to certain classes of employees of the government, should be

extended to include all employees of the government and should be made more liberal in its terms. There is no good ground for the distinction made in the law between those engaged in hazardous occupations and those not so engaged. If a man is injured or killed in any line of work, it was hazardous in his case. In this respect the generosity of the United States toward its employees compares most unfavorably with that of every country in Europe—even the poorest.

The congress should without further delay pass a model employers' liability law for the District of Columbia. The employers' liability act recently declared unconstitutional, on account of apparently including in its provisions employees engaged in interstate commerce as well as those engaged in interstate commerce, has been held by the local courts to be still in effect so far as its provisions apply to the District of Columbia. There should be no ambiguity on this point.

I renew my recommendation made in a previous message that half-holidays be granted during the summer to all wage-workers in government employ. I also renew my recommendation that the principle of the eight-hour day should be rapidly and as far as practicable be extended to the entire work being carried on by the government; the present law should be amended to embrace contracts on those public works which the present wording of the act seems to exclude.

The Courts.—I most earnestly urge upon the congress the duty of increasing the totally inadequate salaries now given to our judges. On the whole there is no body of public servants who do as valuable work, nor whose moneyed reward is so inadequate compared to their work. Beginning with the supreme court the judges should have their salaries doubled. It is not fitting the dignity of the nation that its most honored public servants should be paid sums so small compared to what they would earn in private life that the performance of public service by them implies an exceedingly heavy pecuniary sacrifice.

It is earnestly to be desired that some method should be devised for doing away with the long delays which now obtain in the administration of justice. In some noted recent cases this over-regard for technicalities has resulted in a striking denial of justice, and flagrant wrong to the body politic.

Attack on Gompers.—At the last election certain leaders of organized labor made a violent and sweeping attack upon the entire judiciary of the country, an attack couched in such terms as to include the most upright, honest and broad-minded judges, no less than those of narrower mind and more restricted outlook. It was the kind of attack admirably fitted to prevent any successful attempt to reform abuses of the judiciary, because it gave the champions of the unjust judge their eagerly desired opportunity to shift their ground into a championship of just judges who were unjustly assailed. Last year, before the house committee on the judiciary, these same labor leaders formulated their demands, specifying the bill that contained them, refusing all compromise, stating they wished the principle of that bill or nothing. They insisted on a provision that in a labor dispute no injunction should issue except to protect a property right, and specifically provided that the right to carry on business should not be construed as a property right; and in a second provision their bill made legal in a labor dispute any act or agreement by or between two or more persons that would not have been unlawful if done by a single person. In other words, this bill legalized blacklisting and boycotting in every form, legalizing, for instance, those forms of the secondary boycott which the anthracite coal strike commission so unreservedly condemned; while the right to carry on a business was explicitly taken out from under that protection which the law throws over property.

The violence of the crusade for this legislation, and its complete failure, illustrate two truths which it is essential our people should learn. In the first place, they ought to teach the workman, the laborer, the wage-worker, that by demanding what is improper and impossible he plays into the hands of his foes. "Class consciousness," where it is merely another name for the odious vice of class selfishness, is equally noxious whether in an employer's association or in a workman's association.

This healthy truth, by the way, will be learned by the socialist if they ever succeed in establishing in this country an important national party based on such class consciousness and selfish class interest. But the extreme reactionaries, the persons who blind themselves to the wrongs now and then committed by the courts on laboring men, should also think seriously as to what such a movement as this portends. The rapid changes in our social and industrial life which have attended this rapid growth have made it necessary that, in applying to concrete cases that in the great rule of right laid down in our constitution, there should be a full understanding and appreciation of the new conditions to which the rules are to be applied. What would have been an infringement upon liberty half a century ago may be the necessary safeguard of liberty today. It is desirable that the legislative body should possess, and wherever necessary exercise, the power to determine whether in a given case employers and employees are not on an equal footing, so that the necessities of the latter compel them to submit to such exactions as to hours and conditions of labor as unduly to tax their strength; and only mischief can result when such determination is upset on the ground that there must be no "interference with the liberty to contract"—often a merely academic liberty, the exercise of which is the negation of real liberty.

There are certain decisions by va-

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

There is also, I think, ground for the belief that substantial injustice is often suffered by employees in consequence of the custom of courts issuing temporary injunctions without notice to them, and punishing them for contempt of court in instances where, as a matter of fact, they have no knowledge of any proceedings.

Such proposals as those mentioned above as advocated by the extreme labor leaders, contain the vital error of being class legislation of the most offensive kind, and even if enacted into law I believe that the law would rightly be held unconstitutional. Moreover, the labor people are themselves now beginning to invoke the use of the power of injunction. During the last ten years, and within my own knowledge, at least fifty injunctions have been obtained by labor unions in New York city alone, most of them being to protect the union label (a "property right"), but some being obtained for other reasons against employers. The power of injunction is a great equitable remedy, which should on no account be destroyed.

The legislators and executives are chosen to represent the people in enacting and administering the laws. The judges are not chosen to represent the people in this sense. Their function is to interpret the laws. The legislators are responsible for the laws; the judges for the spirit in which they interpret and enforce the laws.

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

The chief breakdown is in dealing with the new relations that arise from the mutualism, the interdependence of our time. Every new social relation begets a new type of wrongdoing—of sin, to use an old-fashioned word—and many years always elapse before society is able to turn its sin into crime which can be effectively punished at law. During the lifetime of the older men now alive the social relations have changed far more rapidly than in the preceding two centuries.

The huge wealth that has been accumulated by a few individuals of recent years, in what has amounted to a social and industrial revolution, has been as regards some of these individuals made possible only by the improper use of the modern corporation. A certain type of modern corporation, with its officers and agents, its many issues of securities, and its constant consolidation with allied undertakings, finally becomes an instrument so complex as to contain a greater number of elements than, under various judicial decisions, lend themselves to fraud and oppression than any device yet evolved in the human brain.

They have been permitted to become a menace largely because the governmental representatives of the people have worked slowly in providing for adequate control over them. The chief offender in any given case may be an executive, a legislator, or a judge. Every executive head who advises violent instead of gradual action, or who advocates ill-considered and sweeping measures of reform (especially if they are tainted with vindictiveness, and disregard for the rights of the minority) is particularly blameworthy. The several legislatures are responsible for the fact that our laws are often prepared with slovenly haste and lack of consideration. Moreover, they are often amended during passage, at the suggestion of the very parties against whom they are afterwards enforced. Our great clusters of corporations, huge trusts and fabulously wealthy multimillionaires, employ the very best lawyers they can obtain to pick flaws in these statutes after their passage; but they also employ a class of secret agents who seek, under the advice of experts, to render hostile legislation innocuous by making it unconstitutional, often through the insertion of what appears on their face to be drastic and sweeping provisions against the interests of the parties inspiring them; while the demagogues, the corrupt creatures who introduce blackmailing schemes to "strike" corporations, and all who demand extreme, and unduly radical, measures, show themselves to be the worst enemies of the very public whose loud-mouthed champions they profess to be.

The courts hold a place of peculiar and deserved sanctity under our form of government. Respect for the law is essential to the permanence of our institutions; and respect for the law is largely conditioned upon respect for the courts. It is an offense against the republic to say anything which can weaken this respect, save for the gravest reason and in the most carefully guarded manner. Our judges should be held in peculiar honor; and the duty of respectful and truthful comment and criticism, which should be binding when we speak of anybody, should be especially binding when we speak of them.

Forests.—If there is any one duty which more than another we owe to our children and our children's children

to perform at once, it is to save the forests of this country, for they constitute the first and most important element in the conservation of the natural resources of the country. There are of course two kinds of natural resources. Just as a farmer, after all his life making his living from his farm, will, if he is an expert farmer, leave it as an asset of increased value to his son, so we should leave our national domain to our children, increased in value and not worn out. There are small sections of our own country, in the east and in the west, in the Adirondacks, the White mountains, and the Appalachians, and in the Rocky mountains, where we can already see for ourselves the damage in the shape of permanent injury to the soil and the river systems which comes from reckless deforestation.

Short-sighted persons, or persons blinded to the future by desire to make money in every way out of the present, sometimes speak as if no great damage would be done by the reckless destruction of our forests. It is difficult to have patience with the arguments of these persons. Thanks to our own recklessness in the use of our splendid forests, we have already crossed the verge of a timber famine in this country, and no measures that we now take can, at least for many years, undo the mischief that has already been done.

All serious students of the question are aware of the great damage that has been done in the Mediterranean countries of Europe, Asia and Africa by deforestation. A recent investigation into conditions in North China by Frank N. Meyer, of the bureau of plant industry of the United States department of agriculture, has incidentally furnished in very striking fashion proof of the ruin that comes from reckless deforestation of mountains and of the further fact that the damage once done may prove practically irreparable. So important are these investigations that I herewith attach as an appendix to my message certain photographs showing present conditions in China. They show in vivid fashion the appalling desolation, taking the shape of barren mountains and gravel and sand covered plains, which immediately follows and depends upon the deforestation of the mountains. Not many centuries ago the country of northern China was one of the most fertile and beautiful spots in the entire world, and was heavily forested. We know this not only from the old Chinese records, but from the accounts given by the traveler Marco Polo. He, for instance, mentions that in visiting the provinces of Shansi and Shensi he observed many plantations of mulberry trees. Now there is hardly a single mulberry tree in either of these provinces, and the culture of the silkworm has moved farther south, to regions of atmospheric moisture. As an illustration of the complete change in the rivers, we may take Polo's statement that a certain river, the Hun Ho, was so large and deep that merchants ascended it from the sea with heavily laden boats; today this river is simply a broad, sandy bed, with shallow, rapid currents wandering hither and thither across it, absolutely un-navigable. But we do not have to depend upon written records. The dry wells, and the wells with water far below the former watermark bear testimony to the good days of the past and the evil days of the present. Wherever the native vegetation has been allowed to remain, as for instance here and there around a sacred temple or imperial burying ground, there are still huge trees and tangled jungle, fragments of the glorious ancient forests.

In the total absence of regulation of the matter in the interest of the whole people, each small group is inevitably pushed into a policy of destruction which cannot afford to take thought for the morrow. This is just one of those matters which it is fatal to leave to unsupervised individual control. The forests can only be protected by the state, by the nation; and the liberty of action of individuals must be conditioned upon what the state or nation determines to be necessary for the common safety.

As a lesson of deforestation in China is a lesson which mankind should have learned many times already from what has occurred in other places. Denudation leaves naked soil; then gullying cuts down to the bare rock; and meanwhile the rock-waste buries the bottomlands. When the soil is gone, men must go; and the process does not take long.

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

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

Inquiry into the condition of the Mississippi and its principal tributaries reveals very many instances of the utter waste caused by the method which has hitherto obtained for the so-called "improvement" of naviga-

tion. A striking instance is supplied by the "improvement" of the Ohio, which, begun in 1824, was continued under a single plan for half a century. In 1875 a new plan was adopted and followed for a quarter of a century. In 1902 still a different plan was adopted and has since been pursued at a rate which only promises a navigable river in from twenty to one hundred years longer.

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

Until the work of river improvement is undertaken in a modern way it cannot have results that will meet the needs of this modern nation. These needs should be met without further daily-daily or delay. The plan which promises the best and quickest results is that of a permanent commission authorized to coordinate the work of all the government departments relating to waterways, and to frame and supervise the execution of a comprehensive plan.

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

I am happy to say that I have been able to set aside in various parts of the country small, well-chosen tracts of ground to serve as sanctuaries and nurseries for wild creatures.

Denatured Alcohol.—I had occasion in my message of May 4, 1906, to urge the passage of some law putting alcohol, used in the arts, industries, and manufactures, upon the free list; that is, to provide for the withdrawal free of tax of alcohol which is to be denatured for those purposes. The law of June 7, 1906, and its amendment of March 2, 1907, accomplished what was desired in that respect, and the use of denatured alcohol, as intended, is making a fair degree of progress and is entitled to further encouragement and support from the congress.

Pure Food.—The pure food legislation has already worked a benefit difficult to over-estimate.

Indian Service.—It has been my purpose from the beginning of my administration to take the Indian service completely out of the atmosphere of political activity, and there has been steady progress toward that end. The last remaining stronghold of politics in that service was the agency system, which had seen its best days and was gradually falling to pieces from natural or purely evolutionary causes; but, like all such survivals, was decaying slowly in its later stages. It seems clear that its extinction had better be made final now, so that the ground can be cleared for larger constructive work on behalf of the Indians, preparatory to their induction into the full measure of responsible citizenship. On November 1 only eighteen agencies were left on the roster; with two exceptions, where some legal questions seemed to temporarily in the way, these have been changed to superintendencies, and their heads brought into the classified civil service.

Secret Service.—Last year an amendment was incorporated in the measure providing for the secret service, which provided that there should be no details from the secret service and no transfer therefrom. It is not too much to say that this amendment has been of benefit only, and could be of benefit only, to the criminal classes. If deliberately introduced for the purpose of diminishing the effectiveness of war against crime it could not have been better devised in this end. It forbade the practices that had been followed to a greater or less extent by the executive heads of various departments for twenty years. To these practices we owe the securing of the evidence which enabled us to drive great lotteries out of business and secure a quarter of a billion of dollars in fines from their promoters. These practices have enabled us to discover some of the most outrageous frauds in connection with the theft of government land and government timber by great corporations and by individuals. These practices have enabled us to get some of the evidence indispensable in order to secure the conviction of the wealthiest and most formidable criminals with whom the government has to deal, both those operating in violation of the anti-trust law and others. The amendment in question was of benefit to no one excepting to these criminals, and it seriously hampers the government in the detection of crime and the securing of justice. Moreover, it not only affects departments outside of the treasury but it tends to hamper the secretary of the treasury himself in the effort to utilize the employees of his department so as to best meet the requirements of the public service. It forbids him from preventing frauds upon the customs service, from investigating irregularities in branch units and assay offices, and has seriously crippled him. It prevents the promotion of employees in the secret service, and this further discourages good effort. In its present form the restriction operates only to the advantage of the criminal, of the wrong-doer. The chief argument in favor of the provision was that the congressmen did not themselves wish to be investigated by secret service men. Very little of such investigation has been done in the past; but it is true that the work of the secret service agents was partly responsible for the indictment and conviction of a senator and a congressman for land rands in Oregon.

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