

# STATE OF THE UNION MESSAGE

December 7, 1903

## **To the Senate and House of Representatives:**

The country is to be congratulated on the amount of substantial achievement which has marked the past year both as regards our foreign and as regards our domestic policy.

With a nation as with a man the most important things are those of the household, and therefore the country is especially to be congratulated on what has been accomplished in the direction of providing for the exercise of supervision over the great corporations and combinations of corporations engaged in interstate commerce. The Congress has created the Department of Commerce and Labor, including the Bureau of Corporations, with for the first time authority to secure proper publicity of such proceedings of these great corporations as the public has the right to know. It has provided for the expediting of suits for the enforcement of the Federal anti-trust law; and by another law it has secured equal treatment to all producers in the transportation of their goods, thus taking a long stride forward in making effective the work of the Interstate Commerce Commission.

The establishment of the Department of Commerce and Labor, with the Bureau of Corporations thereunder, marks a real advance in the direction of doing all that is possible for the solution of the questions vitally affecting capitalists and wage-workers. The act creating Department was approved on February 14, 1903, and two days later the head of the Department was nominated and confirmed by the Senate. Since then the work of organization has been pushed as rapidly as the initial appropriations permitted, and with due regard to thoroughness and the broad purposes which the Department is designed to serve. After the transfer of the various bureaus and branches to the Department at the beginning of the current fiscal year, as provided for in the act, the personnel comprised 1,289 employees in Washington and 8,836 in the country at large. The scope of the Department's duty and authority embraces the commercial and industrial interests of the Nation. It is not designed to restrict or control the fullest liberty of legitimate business action, but to secure exact and authentic information which will aid the Executive in enforcing existing laws, and which will enable the Congress to enact additional legislation, if any should be found necessary, in order to prevent the few from obtaining privileges at the expense of diminished opportunities for the many.

The preliminary work of the Bureau of Corporations in the Department has shown the wisdom of its creation. Publicity in corporate affairs will tend to do away with ignorance, and will afford facts upon which intelligent action may be taken. Systematic, intelligent investigation is

already developing facts the knowledge of which is essential to a right understanding of the needs and duties of the business world. The corporation which is honestly and fairly organized, whose managers in the conduct of its business recognize their obligation to deal squarely with their stockholders, their competitors, and the public, has nothing to fear from such supervision. The purpose of this Bureau is not to embarrass or assail legitimate business, but to aid in bringing about a better industrial condition--a condition under which there shall be obedience to law and recognition of public obligation by all corporations, great or small. The Department of Commerce and Labor will be not only the clearing house for information regarding the business transactions of the Nation, but the executive arm of the Government to aid in strengthening our domestic and foreign markets, in perfecting our transportation facilities, in building up our merchant marine, in preventing the entrance of undesirable immigrants, in improving commercial and industrial conditions, and in bringing together on common ground those necessary partners in industrial progress--capital and labor. Commerce between the nations is steadily growing in volume, and the tendency of the times is toward closer trade relations. Constant watchfulness is needed to secure to Americans the chance to participate to the best advantage in foreign trade; and we may confidently expect that the new Department will justify the expectation of its creators by the exercise of this watchfulness, as well as by the businesslike administration of such laws relating to our internal affairs as are intrusted to its care.

In enacting the laws above enumerated the Congress proceeded on sane and conservative lines. Nothing revolutionary was attempted; but a common-sense and successful effort was made in the direction of seeing that corporations are so handled as to subserve the public good. The legislation was moderate. It was characterized throughout by the idea that we were not attacking corporations, but endeavoring to provide for doing away with any evil in them; that we drew the line against misconduct, not against wealth; gladly recognizing the great good done by the capitalist who alone, or in conjunction with his fellows, does his work along proper and legitimate lines. The purpose of the legislation, which purpose will undoubtedly be fulfilled, was to favor such a man when he does well, and to supervise his action only to prevent him from doing ill. Publicity can do no harm to the honest corporation. The only corporation that has cause to dread it is the corporation which shrinks from the light, and about the welfare of such corporations we need not be oversensitive. The work of the Department of Commerce and Labor has been conditioned upon this theory, of securing fair treatment alike for labor and for capital.

The consistent policy of the National Government, so far as it has the power, is to hold in check the unscrupulous man, whether employer or employee; but to refuse to weaken individual initiative or to hamper or cramp the industrial development of the country. We recognize that this is an era of federation and combination, in which great capitalistic corporations and labor unions have become factors of tremendous importance in all industrial centers. Hearty recognition is given the far-reaching, beneficent work which has been accomplished through both corporations and unions, and the line as between different

corporations, as between different unions, is drawn as it is between different individuals; that is, it is drawn on conduct, the effort being to treat both organized capital and organized labor alike; asking nothing save that the interest of each shall be brought into harmony with the interest of the general public, and that the conduct of each shall conform to the fundamental rules of obedience to law, of individual freedom, and of justice and fair dealing towards all. Whenever either corporation, labor union, or individual disregards the law or acts in a spirit of arbitrary and tyrannous interference with the rights of others, whether corporations or individuals, then where the Federal Government has jurisdiction, it will see to it that the misconduct is stopped, paying not the slightest heed to the position or power of the corporation, the union or the individual, but only to one vital fact--that is, the question whether or not the conduct of the individual or aggregate of individuals is in accordance with the law of the land. Every man must be guaranteed his liberty and his right to do as he likes with his property or his labor, so long as he does not infringe the rights of others. No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it. Obedience to the law is demanded as a right; not asked as a favor.

We have cause as a nation to be thankful for the steps that have been so successfully taken to put these principles into effect. The progress has been by evolution, not by revolution. Nothing radical has been done; the action has been both moderate and resolute. Therefore the work will stand. There shall be no backward step. If in the working of the laws it proves desirable that they shall at any point be expanded or amplified, the amendment can be made as its desirability is shown. Meanwhile they are being administered with judgment, but with insistence upon obedience to them, and their need has been emphasized in signal fashion by the events of the past year.

From all sources, exclusive of the postal service, the receipts of the Government for the last fiscal year aggregated \$560,396,674. The expenditures for the same period were \$506,099,007, the surplus for the fiscal year being \$54,297,667. The indications are that the surplus for the present fiscal year will be very small, if indeed there be any surplus. From July to November the receipts from customs were, approximately, nine million dollars less than the receipts from the same source for a corresponding portion of last year. Should this decrease continue at the same ratio throughout the fiscal year, the surplus would be reduced by, approximately, thirty million dollars. Should the revenue from customs suffer much further decrease during the fiscal year, the surplus would vanish. A large surplus is certainly undesirable. Two years ago the war taxes were taken off with the express intention of equalizing the governmental receipts and expenditures, and though the first year thereafter still showed a surplus, it now seems likely that a substantial equality of revenue and expenditure will be attained. Such being the case it is of great moment both to exercise care and economy in appropriations, and to scan sharply any change in our fiscal revenue system which may reduce our income. The need of strict economy in our expenditures is emphasized by the fact that we can not afford to be parsimonious in providing for what is essential to our

national well-being. Careful economy wherever possible will alone prevent our income from falling below the point required in order to meet our genuine needs.

The integrity of our currency is beyond question, and under present conditions it would be unwise and unnecessary to attempt a reconstruction of our entire monetary system. The same liberty should be granted the Secretary of the Treasury to deposit customs receipts as is granted him in the deposit of receipts from other sources. In my Message of December 2, 1902, I called attention to certain needs of the financial situation, and I again ask the consideration of the Congress for these questions.

During the last session of the Congress at the suggestion of a joint note from the Republic of Mexico and the Imperial Government of China, and in harmony with an act of the Congress appropriating \$25,000 to pay the expenses thereof, a commission was appointed to confer with the principal European countries in the hope that some plan might be devised whereby a fixed rate of exchange could be assured between the gold-standard countries and the silver-standard countries. This commission has filed its preliminary report, which has been made public. I deem it important that the commission be continued, and that a sum of money be appropriated sufficient to pay the expenses of its further labors.

A majority of our people desire that steps be taken in the interests of American shipping, so that we may once more resume our former position in the ocean carrying trade. But hitherto the differences of opinion as to the proper method of reaching this end have been so wide that it has proved impossible to secure the adoption of any particular scheme. Having in view these facts, I recommend that the Congress direct the Secretary of the Navy, the Postmaster-General, and the Secretary of Commerce and Labor, associated with such a representation from the Senate and House of Representatives as the Congress in its wisdom may designate, to serve as a commission for the purpose of investigating and reporting to the Congress at its next session what legislation is desirable or necessary for the development of the American merchant marine and American commerce, and incidentally of a national ocean mail service of adequate auxiliary naval cruisers and naval reserves. While such a measure is desirable in any event, it is especially desirable at this time, in view of the fact that our present governmental contract for ocean mail with the American Line will expire in 1905. Our ocean mail act was passed in 1891. In 1895 our 20-knot transatlantic mail line was equal to any foreign line. Since then the Germans have put on 23-knot steamers, and the British have contracted for 24-knot steamers. Our service should equal the best. If it does not, the commercial public will abandon it. If we are to stay in the business it ought to be with a full understanding of the advantages to the country on one hand, and on the other with exact knowledge of the cost and proper methods of carrying it on. Moreover, lines of cargo ships are of even more importance than fast mail lines; save so far as the latter can be depended upon to furnish swift auxiliary cruisers in time of war. The establishment of new lines of cargo ships to South America, to Asia, and elsewhere would be much in the interest of our commercial expansion.

We can not have too much immigration of the right kind, and we should have none at all of the wrong kind. The need is to devise some system by which undesirable immigrants shall be kept out entirely, while desirable immigrants are properly distributed throughout the country. At present some districts which need immigrants have none; and in others, where the population is already congested, immigrants come in such numbers as to depress the conditions of life for those already there. During the last two years the immigration service at New York has been greatly improved, and the corruption and inefficiency which formerly obtained there have been eradicated. This service has just been investigated by a committee of New York citizens of high standing, Messrs. Arthur V. Briesen, Lee K. Frankel, Eugene A. Philbin, Thomas W. Hynes, and Ralph Trautman. Their report deals with the whole situation at length, and concludes with certain recommendations for administrative and legislative action. It is now receiving the attention of the Secretary of Commerce and Labor.

The special investigation of the subject of naturalization under the direction of the Attorney-General, and the consequent prosecutions reveal a condition of affairs calling for the immediate attention of the Congress. Forgeries and perjuries of shameless and flagrant character have been perpetrated, not only in the dense centers of population, but throughout the country; and it is established beyond doubt that very many so-called citizens of the United States have no title whatever to that right, and are asserting and enjoying the benefits of the same through the grossest frauds. It is never to be forgotten that citizenship is, to quote the words recently used by the Supreme Court of the United States, an "inestimable heritage," whether it proceeds from birth within the country or is obtained by naturalization; and we poison the sources of our national character and strength at the fountain, if the privilege is claimed and exercised without right, and by means of fraud and corruption. The body politic can not be sound and healthy if many of its constituent members claim their standing through the prostitution of the high right and calling of citizenship. It should mean something to become a citizen of the United States; and in the process no loophole whatever should be left open to fraud.

The methods by which these frauds--now under full investigation with a view to meting out punishment and providing adequate remedies--are perpetrated, include many variations of procedure by which false certificates of citizenship are forged in their entirety; or genuine certificates fraudulently or collusively obtained in blank are filled in by the criminal conspirators; or certificates are obtained on fraudulent statements as to the time of arrival and residence in this country; or imposition and substitution of another party for the real petitioner occur in court; or certificates are made the subject of barter and sale and transferred from the rightful holder to those not entitled to them; or certificates are forged by erasure of the original names and the insertion of the names of other persons not entitled to the same.

It is not necessary for me to refer here at large to the causes leading to this state of affairs. The desire for naturalization is heartily to be commended where it springs from a sincere and

permanent intention to become citizens, and a real appreciation of the privilege. But it is a source of untold evil and trouble where it is traceable to selfish and dishonest motives, such as the effort by artificial and improper means, in wholesale fashion to create voters who are ready-made tools of corrupt politicians, or the desire to evade certain labor laws creating discriminations against alien labor. All good citizens, whether naturalized or native born, are equally interested in protecting our citizenship against fraud in any form, and, on the other hand, in affording every facility for naturalization to those who in good faith desire to share alike our privileges and our responsibilities.

The Federal grand jury lately in session in New York City dealt with this subject and made a presentment which states the situation briefly and forcibly and contains important suggestions for the consideration of the Congress. This presentment is included as an appendix to the report of the Attorney-General.

In my last annual Message, in connection with the subject of the due regulation of combinations of capital which are or may become injurious to the public, I recommend a special appropriation for the better enforcement of the antitrust law as it now stands, to be extended under the direction of the Attorney-General. Accordingly (by the legislative, executive, and judicial appropriation act of February 25, 1903, 32 Stat., 854, 904), the Congress appropriated, for the purpose of enforcing the various Federal trust and interstate-commerce laws, the sum of five hundred thousand dollars, to be expended under the direction of the Attorney-General in the employment of special counsel and agents in the Department of Justice to conduct proceedings and prosecutions under said laws in the courts of the United States. I now recommend, as a matter of the utmost importance and urgency, the extension of the purposes of this appropriation, so that it may be available, under the direction of the Attorney-General, and until used, for the due enforcement of the laws of the United States in general and especially of the civil and criminal laws relating to public lands and the laws relating to postal crimes and offenses and the subject of naturalization. Recent investigations have shown a deplorable state of affairs in these three matters of vital concern. By various frauds and by forgeries and perjuries, thousands of acres of the public domain, embracing lands of different character and extending through various sections of the country, have been dishonestly acquired. It is hardly necessary to urge the importance of recovering these dishonest acquisitions, stolen from the people, and of promptly and duly punishing the offenders. I speak in another part of this Message of the widespread crimes by which the sacred right of citizenship is falsely asserted and that "inestimable heritage" perverted to base ends. By similar means--that is, through frauds, forgeries, and perjuries, and by shameless bribes--the laws relating to the proper conduct of the public service in general and to the due administration of the Post-Office Department have been notoriously violated, and many indictments have been found, and the consequent prosecutions are in course of hearing or on the eve thereof. For the reasons thus indicated, and so that the Government may be prepared to enforce promptly and with the greatest effect the due penalties for such violations of law, and to this end may be furnished with sufficient instrumentalities and competent legal

assistance for the investigations and trials which will be necessary at many different points of the country, I urge upon the Congress the necessity of making the said appropriation available for immediate use for all such purposes, to be expended under the direction of the Attorney-General.

Steps have been taken by the State Department looking to the making of bribery an extraditable offense with foreign powers. The need of more effective treaties covering this crime is manifest. The exposures and prosecutions of official corruption in St. Louis, Mo., and other cities and States have resulted in a number of givers and takers of bribes becoming fugitives in foreign lands. Bribery has not been included in extradition treaties heretofore, as the necessity for it has not arisen. While there may have been as much official corruption in former years, there has been more developed and brought to light in the immediate past than in the preceding century of our country's history. It should be the policy of the United States to leave no place on earth where a corrupt man fleeing from this country can rest in peace. There is no reason why bribery should not be included in all treaties as extraditable. The recent amended treaty with Mexico, whereby this crime was put in the list of extraditable offenses, has established a salutary precedent in this regard. Under this treaty the State Department has asked, and Mexico has granted, the extradition of one of the St. Louis bribe givers.

There can be no crime more serious than bribery. Other offenses violate one law while corruption strikes at the foundation of all law. Under our form of Government all authority is vested in the people and by them delegated to those who represent them in official capacity. There can be no offense heavier than that of him in whom such a sacred trust has been reposed, who sells it for his own gain and enrichment; and no less heavy is the offense of the bribe giver. He is worse than the thief, for the thief robs the individual, while the corrupt official plunders an entire city or State. He is as wicked as the murderer, for the murderer may only take one life against the law, while the corrupt official and the man who corrupts the official alike aim at the assassination of the commonwealth itself. Government of the people, by the people, for the people will perish from the face of the earth if bribery is tolerated. The givers and takers of bribes stand on an evil pre-eminence of infamy. The exposure and punishment of public corruption is an honor to a nation, not a disgrace. The shame lies in toleration, not in correction. No city or State, still less the Nation, can be injured by the enforcement of law. As long as public plunderers when detected can find a haven of refuge in any foreign land and avoid punishment, just so long encouragement is given them to continue their practices. If we fail to do all that in us lies to stamp out corruption we can not escape our share of responsibility for the guilt. The first requisite of successful self-government is unflinching enforcement of the law and the cutting out of corruption.

For several years past the rapid development of Alaska and the establishment of growing American interests in regions theretofore unsurveyed and imperfectly known brought into prominence the urgent necessity of a practical demarcation of the boundaries between the jurisdictions of the United States and Great Britain. Although the treaty of 1825 between Great

Britain and Russia, the provisions of which were copied in the treaty of 1867, whereby Russia conveyed Alaska to the United States, was positive as to the control, first by Russia and later by the United States, of a strip of territory along the continental mainland from the western shore of Portland Canal to Mount St. Elias, following and surrounding the indentations of the coast and including the islands to the westward, its description of the landward margin of the strip was indefinite, resting on the supposed existence of a continuous ridge or range of mountains skirting the coast, as figured in the charts of the early navigators. It had at no time been possible for either party in interest to lay down, under the authority of the treaty, a line so obviously exact according to its provisions as to command the assent of the other. For nearly three-fourths of a century the absence of tangible local interests demanding the exercise of positive jurisdiction on either side of the border left the question dormant. In 1878 questions of revenue administration on the Stikine River led to the establishment of a provisional demarcation, crossing the channel between two high peaks on either side about twenty-four miles above the river mouth. In 1899 similar questions growing out of the extraordinary development of mining interests in the region about the head of Lynn Canal brought about a temporary *modus vivendi*, by which a convenient separation was made at the watershed divides of the White and Chilkoot passes and to the north of Klukwan, on the Klehini River. These partial and tentative adjustments could not, in the very nature of things, be satisfactory or lasting. A permanent disposition of the matter became imperative.

After unavailing attempts to reach an understanding through a Joint High Commission, followed by prolonged negotiations, conducted in an amicable spirit, a convention between the United States and Great Britain was signed, January 24, 1903, providing for an examination of the subject by a mixed tribunal of six members, three on a side, with a view to its final disposition. Ratifications were exchanged on March 3 last, whereupon the two Governments appointed their respective members. Those on behalf of the United States were Elihu Root, Secretary of War, Henry Cabot Lodge, a Senator of the United States, and George Turner, an ex-Senator of the United States, while Great Britain named the Right Honourable Lord Alverstone, Lord Chief Justice of England, Sir Louis Amable Jette, K. C. M. G., retired judge of the Supreme Court of Quebec, and A. B. Aylesworth, K. C., of Toronto. This Tribunal met in London on September 3, under the Presidency of Lord Alverstone. The proceedings were expeditious, and marked by a friendly and conscientious spirit. The respective cases, counter cases, and arguments presented the issues clearly and fully. On the 20th of October a majority of the Tribunal reached and signed an agreement on all the questions submitted by the terms of the Convention. By this award the right of the United States to the control of a continuous strip or border of the mainland shore, skirting all the tide-water inlets and sinuosities of the coast, is confirmed; the entrance to Portland Canal (concerning which legitimate doubt appeared) is defined as passing by Tongass Inlet and to the northwestward of Wales and Pearse islands; a line is drawn from the head of Portland Canal to the fifty-sixth degree of north latitude; and the interior border line of the strip is fixed by lines connecting certain mountain summits lying between Portland Canal and Mount St. Elias, and running along the crest of the divide separating the coast slope from the inland watershed at the only part of the

frontier where the drainage ridge approaches the coast within the distance of ten marine leagues stipulated by the treaty as the extreme width of the strip around the heads of Lynn Canal and its branches.

While the line so traced follows the provisional demarcation of 1878 at the crossing of the Stikine River, and that of 1899 at the summits of the White and Chilkoot passes, it runs much farther inland from the Klehini than the temporary line of the later *modus vivendi*, and leaves the entire mining district of the Porcupine River and Glacier Creek within the jurisdiction of the United States.

The result is satisfactory in every way. It is of great material advantage to our people in the Far Northwest. It has removed from the field of discussion and possible danger a question liable to become more acutely accentuated with each passing year. Finally, it has furnished a signal proof of the fairness and good will with which two friendly nations can approach and determine issues involving national sovereignty and by their nature incapable of submission to a third power for adjudication.

The award is self-executing on the vital points. To make it effective as regards the others it only remains for the two Governments to appoint, each on its own behalf, one or more scientific experts, who shall, with all convenient speed, proceed together to lay down the boundary line in accordance with the decision of the majority of the Tribunal. I recommend that the Congress make adequate provision for the appointment, compensation, and expenses of the members to serve on this joint boundary commission on the part of the United States.

It will be remembered that during the second session of the last Congress Great Britain, Germany, and Italy formed an alliance for the purpose of blockading the ports of Venezuela and using such other means of pressure as would secure a settlement of claims due, as they alleged, to certain of their subjects. Their employment of force for the collection of these claims was terminated by an agreement brought about through the offices of the diplomatic representatives of the United States at Caracas and the Government at Washington, thereby ending a situation which was bound to cause increasing friction, and which jeopardized the peace of the continent. Under this agreement Venezuela agreed to set apart a certain percentage of the customs receipts of two of her ports to be applied to the payment of whatever obligations might be ascertained by mixed commissions appointed for that purpose to be due from her, not only to the three powers already mentioned, whose proceedings against her had resulted in a state of war, but also to the United States, France, Spain, Belgium, the Netherlands, Sweden and Norway, and Mexico, who had not employed force for the collection of the claims alleged to be due to certain of their citizens.

A demand was then made by the so-called blockading powers that the sums ascertained to be due to their citizens by such mixed commissions should be accorded payment in full before anything was paid upon the claims of any of the so-called peace powers. Venezuela, on the other hand, insisted that all her creditors should be paid upon a basis of exact equality. During

the efforts to adjust this dispute it was suggested by the powers in interest that it should be referred to me for decision, but I was clearly of the opinion that a far wiser course would be to submit the question to the Permanent Court of Arbitration at The Hague. It seemed to me to offer an admirable opportunity to advance the practice of the peaceful settlement of disputes between nations and to secure for the Hague Tribunal a memorable increase of its practical importance. The nations interested in the controversy were so numerous and in many instances so powerful as to make it evident that beneficent results would follow from their appearance at the same time before the bar of that august tribunal of peace.

Our hopes in that regard have been realized. Russia and Austria are represented in the persons of the learned and distinguished jurists who compose the Tribunal, while Great Britain, Germany, France, Spain, Italy, Belgium, the Netherlands, Sweden and Norway, Mexico, the United States, and Venezuela are represented by their respective agents and counsel. Such an imposing concourse of nations presenting their arguments to and invoking the decision of that high court of international justice and international peace can hardly fail to secure a like submission of many future controversies. The nations now appearing there will find it far easier to appear there a second time, while no nation can imagine its just pride will be lessened by following the example now presented. This triumph of the principle of international arbitration is a subject of warm congratulation and offers a happy augury for the peace of the world.

There seems good ground for the belief that there has been a real growth among the civilized nations of a sentiment which will permit a gradual substitution of other methods than the method of war in the settlement of disputes. It is not pretended that as yet we are near a position in which it will be possible wholly to prevent war, or that a just regard for national interest and honor will in all cases permit of the settlement of international disputes by arbitration ;. but by a mixture of prudence and firmness with wisdom we think it is possible to do away with much of the provocation and excuse for war, and at least in many cases to substitute some other and more rational method for the settlement of disputes. The Hague Court offers so good an example of what can be done in the direction of such settlement that it should be encouraged in every way.

Further steps should be taken. In President McKinley's annual Message of December 5, 1898, he made the following recommendation:

"The experiences of the last year bring forcibly home to us a sense of the burdens and the waste of war. We desire in common with most civilized nations, to reduce to the lowest possible point the damage sustained in time of war by peaceable trade and commerce. It is true we may suffer in such cases less than other communities, but all nations are damaged more or less by the state of uneasiness and apprehension into which an outbreak of hostilities throws the entire commercial world. It should be our object, therefore, to minimize, so far as practicable, this inevitable loss and disturbance. This purpose can probably best be

accomplished by an international agreement to regard all private property at sea as exempt from capture or destruction by the forces of belligerent powers. The United States Government has for many years advocated this humane and beneficent principle, and is now in a position to recommend it to other powers without the imputation of selfish motives. I therefore suggest for your consideration that the Executive be authorized to correspond with the governments of the principal maritime powers with a view of incorporating into the permanent law of civilized nations the principle of the exemption of all private property at sea, not contraband of war, from capture or destruction by belligerent powers." I cordially renew this recommendation.

The Supreme Court, speaking on December 11, 1899, through Peckham, J., said:

"It is, we think, historically accurate to say that this Government has always been, in its views, among the most advanced of the governments of the world in favor of mitigating, as to all non-combatants, the hardships and horrors of war. To accomplish that object it has always advocated those rules which would in most cases do away with the right to capture the private property of an enemy on the high seas."

I advocate this as a matter of humanity and morals. It is anachronistic when private property is respected on land that it should not be respected at sea. Moreover, it should be borne in mind that shipping represents, internationally speaking, a much more generalized species of private property than is the case with ordinary property on land--that is, property found at sea is much less apt than is the case with property found on land really to belong to any one nation. Under the modern system of corporate ownership the flag of a vessel often differs from the flag which would mark the nationality of the real ownership and money control of the vessel; and the cargo may belong to individuals of yet a different nationality. Much American capital is now invested in foreign ships; and among foreign nations it often happens that the capital of one is largely invested in the shipping of another. Furthermore, as a practical matter, it may be mentioned that while commerce destroying may cause serious loss and great annoyance, it can never be more than a subsidiary factor in bringing to terms a resolute foe. This is now well recognized by all of our naval experts. The fighting ship, not the commerce destroyer, is the vessel whose feats add renown to a nation's history, and establish her place among the great powers of the world.

Last year the Interparliamentary Union for International Arbitration met at Vienna, six hundred members of the different legislatures of civilized countries attending. It was provided that the next meeting should be in 1904 at St. Louis, subject to our Congress extending an invitation. Like the Hague Tribunal, this Interparliamentary Union is one of the forces tending towards peace among the nations of the earth, and it is entitled to our support. I trust the invitation can be extended.

Early in July, having received intelligence, which happily turned out to be erroneous, of the assassination of our vice-consul at Beirut, I dispatched a small squadron to that port for such

service as might be found necessary on arrival. Although the attempt on the life of our vice-consul had not been successful, yet the outrage was symptomatic of a state of excitement and disorder which demanded immediate attention. The arrival of the vessels had the happiest result. A feeling of security at once took the place of the former alarm and disquiet; our officers were cordially welcomed by the consular body and the leading merchants, and ordinary business resumed its activity. The Government of the Sultan gave a considerate hearing to the representations of our minister; the official who was regarded as responsible for the disturbed condition of affairs was removed. Our relations with the Turkish Government remain friendly; our claims rounded on inequitable treatment of some of our schools and missions appear to be in process of amicable adjustment.

The signing of a new commercial treaty with China, which took place at Shanghai on the 8th of October, is a cause for satisfaction. This act, the result of long discussion and negotiation, places our commercial relations with the great Oriental Empire on a more satisfactory footing than they have ever heretofore enjoyed. It provides not only for the ordinary rights and privileges of diplomatic and consular officers, but also for an important extension of our commerce by increased facility of access to Chinese ports, and for the relief of trade by the removal of some of the obstacles which have embarrassed it in the past. The Chinese Government engages, on fair and equitable conditions, which will probably be accepted by the principal commercial nations, to abandon the levy of "liken" and other transit dues throughout the Empire, and to introduce other desirable administrative reforms. Larger facilities are to be given to our citizens who desire to carry on mining enterprises in China. We have secured for our missionaries a valuable privilege, the recognition of their right to rent and lease in perpetuity such property as their religious societies may need in all parts of the Empire. And, what was an indispensable condition for the advance and development of our commerce in Manchuria, China, by treaty with us, has opened to foreign commerce the cities of Mukden, the capital of the province of Manchuria, and An-tung, an important port on the Yalu River, on the road to Korea. The full measure of development which our commerce may rightfully expect can hardly be looked for until the settlement of the present abnormal state of things in the Empire; but the foundation for such development has at last been laid.

I call your attention to the reduced cost in maintaining the consular service for the fiscal year ending June 30, 1903, as shown in the annual report of the Auditor for the State and other Departments, as compared with the year previous. For the year under consideration the excess of expenditures over receipts on account of the consular service amounted to \$26,125.12, as against \$96,972.50 for the year ending June 30, 1902, and \$147,040.16 for the year ending June 30, 1901. This is the best showing in this respect for the consular service for the past fourteen years, and the reduction in the cost of the service to the Government has been made in spite of the fact that the expenditures for the year in question were more than \$20,000 greater than for the previous year.

The rural free-delivery service has been steadily extended. The attention of the Congress is asked to the question of the compensation of the letter carriers and clerks engaged in the postal service, especially on the new rural free-delivery routes. More routes have been installed since the first of July last than in any like period in the Department's history. While a due regard to economy must be kept in mind in the establishment of new routes, yet the extension of the rural free-delivery system must be continued, for reasons of sound public policy. No governmental movement of recent years has resulted in greater immediate benefit to the people of the country districts. Rural free delivery, taken in connection with the telephone, the bicycle, and the trolley, accomplishes much toward lessening the isolation of farm life and making it brighter and more attractive. In the immediate past the lack of just such facilities as these has driven many of the more active and restless young men and women from the farms to the cities; for they rebelled at loneliness and lack of mental companionship. It is unhealthy and undesirable for the cities to grow at the expense of the country; and rural free delivery is not only a good thing in itself, but is good because it is one of the causes which check this unwholesome tendency towards the urban concentration of our population at the expense of the country districts. It is for the same reason that we sympathize with and approve of the policy of building good roads. The movement for good roads is one fraught with the greatest benefit to the country districts.

I trust that the Congress will continue to favor in all proper ways the Louisiana Purchase Exposition. This Exposition commemorates the Louisiana purchase, which was the first great step in the expansion which made us a continental nation. The expedition of Lewis and Clark across the continent followed thereon, and marked the beginning of the process of exploration and colonization which thrust our national boundaries to the Pacific. The acquisition of the Oregon country, including the present States of Oregon and Washington, was a fact of immense importance in our history; first giving us our place on the Pacific seaboard, and making ready the way for our ascendancy in the commerce of the greatest of the oceans. The centennial of our establishment upon the western coast by the expedition of Lewis and Clark is to be celebrated at Portland, Oregon, by an exposition in the summer of 1905, and this event should receive recognition and support from the National Government.

I call your special attention to the Territory of Alaska. The country is developing rapidly, and it has an assured future. The mineral wealth is great and has as yet hardly been tapped. The fisheries, if wisely handled and kept under national control, will be a business as permanent as any other, and of the utmost importance to the people. The forests if properly guarded will form another great source of wealth. Portions of Alaska are fitted for farming and stock raising, although the methods must be adapted to the peculiar conditions of the country. Alaska is situated in the far north; but so are Norway and Sweden and Finland; and Alaska can prosper and play its part in the New World just as those nations have prospered and played their parts in the Old World. Proper land laws should be enacted; and the survey of the public lands immediately begun. Coal-land laws should be provided whereby the coal-land entryman may make his location and secure patent under methods kindred to those now prescribed for

homestead and mineral entrymen. Salmon hatcheries, exclusively under Government control, should be established. The cable should be extended from Sitka westward. Wagon roads and trails should be built, and the building of railroads promoted in all legitimate ways. Light-houses should be built along the coast. Attention should be paid to the needs of the Alaska Indians; provision should be made for an officer, with deputies, to study their needs, relieve their immediate wants, and help them adapt themselves to the new conditions.

The commission appointed to investigate, during the season of 1903, the condition and needs of the Alaskan salmon fisheries, has finished its work in the field, and is preparing a detailed report thereon. A preliminary report reciting the measures immediately required for the protection and preservation of the salmon industry has already been submitted to the Secretary of Commerce and Labor for his attention and for the needed action.

I recommend that an appropriation be made for building light-houses in Hawaii, and taking possession of those already built. The Territory should be reimbursed for whatever amounts it has already expended for light-houses. The governor should be empowered to suspend or remove any official appointed by him, without submitting the matter to the legislature.

Of our insular possessions the Philippines and Porto Rico it is gratifying to say that their steady progress has been such as to make it unnecessary to spend much time in discussing them. Yet the Congress should ever keep in mind that a peculiar obligation rests upon us to further in every way the welfare of these communities. The Philippines should be knit closer to us by tariff arrangements. It would, of course, be impossible suddenly to raise the people of the islands to the high pitch of industrial prosperity and of governmental efficiency to which they will in the end by degrees attain; and the caution and moderation shown in developing them have been among the main reasons why this development has hitherto gone on so smoothly. Scrupulous care has been taken in the choice of governmental agents, and the entire elimination of partisan politics from the public service. The condition of the islanders is in material things far better than ever before, while their governmental, intellectual, and moral advance has kept pace with their material advance. No one people ever benefited another people more than we have benefited the Filipinos by taking possession of the islands.

The cash receipts of the General Land Office for the last fiscal year were \$11,024,743.65, an increase of \$4,762,816.47 over the preceding year. Of this sum, approximately, \$8,461,493 will go to the credit of the fund for the reclamation of arid land, making the total of this fund, up to the 30th of June, 1903, approximately, \$16,191,836.

A gratifying disposition has been evinced by those having unlawful inclosures of public land to remove their fences. Nearly two million acres so inclosed have been thrown open on demand. In but comparatively few cases has it been necessary to go into court to accomplish this purpose. This work will be vigorously prosecuted until all unlawful inclosures have been removed.

Experience has shown that in the western States themselves, as well as in the rest of the country, there is widespread conviction that certain of the public-land laws and the resulting administrative practice no longer meet the present needs. The character and uses of the remaining public lands differ widely from those of the public lands which Congress had especially in view when these laws were passed. The rapidly increasing rate of disposal of the public lands is not followed by a corresponding increase in home building. There is a tendency to mass in large holdings public lands, especially timber and grazing lands, and thereby to retard settlement. I renew and emphasize my recommendation of last year that so far as they are available for agriculture in its broadest sense, and to whatever extent they may be reclaimed under the national irrigation law, the remaining public lands should be held rigidly for the home builder. The attention of the Congress is especially directed to the timber and stone law, the desert-land law, and the commutation clause of the homestead law, which in their operation have in many respects conflicted with wise public-land policy. The discussions in the Congress and elsewhere have made it evident that there is a wide divergence of opinions between those holding opposite views on these subjects; and that the opposing sides have strong and convinced representatives of weight both within and without the Congress; the differences being not only as to matters of opinion but as to matters of fact. In order that definite information may be available for the use of the Congress, I have appointed a commission composed of W. A. Richards, Commissioner of the General Land Office; Gifford Pinchot, Chief of the Bureau of Forestry of the Department of Agriculture, and F. H. Newell, Chief Hydrographer of the Geological Survey, to report at the earliest practicable moment upon the condition, operation, and effect of the present land laws and on the use, condition, disposal, and settlement of the public lands. The commission will report especially what changes in organization, laws, regulations, and practice affecting the public lands are needed to effect the largest practicable disposition of the public lands to actual settlers who will build permanent homes upon them, and to secure in permanence the fullest and most effective use of the resources of the public lands; and it will make such other reports and recommendations as its study of these questions may suggest. The commission is to report immediately upon those points concerning which its judgment is clear; on any point upon which it has doubt it will take the time necessary to make investigation and reach a final judgment.

The work of reclamation of the arid lands of the West is progressing steadily and satisfactorily under the terms of the law setting aside the proceeds from the disposal of public lands. The corps of engineers known as the Reclamation Service, which is conducting the surveys and examinations, has been thoroughly organized, especial pains being taken to secure under the civil-service rules a body of skilled, experienced, and efficient men. Surveys and examinations are progressing throughout the arid States and Territories, plans for reclaiming works being prepared and passed upon by boards of engineers before approval by the Secretary of the Interior. In Arizona and Nevada, in localities where such work is pre-eminently needed, construction has already been begun. In other parts of the arid West various projects are well advanced towards the drawing up of contracts, these being delayed in part by necessities of reaching agreements or understanding as regards rights of way or acquisition of real estate.

Most of the works contemplated for construction are of national importance, involving interstate questions or the securing of stable, self-supporting communities in the midst of vast tracts of vacant land. The Nation as a whole is of course the gainer by the creation of these homes, adding as they do to the wealth and stability of the country, and furnishing a home market for the products of the East and South. The reclamation law, while perhaps not ideal, appears at present to answer the larger needs for which it is designed. Further legislation is not recommended until the necessities of change are more apparent.

The study of the opportunities of reclamation of the vast extent of arid land shows that whether this reclamation is done by individuals, corporations, or the State, the sources of water supply must be effectively protected and the reservoirs guarded by the preservation of the forests at the headwaters of the streams. The engineers making the preliminary examinations continually emphasize this need and urge that the remaining public lands at the headwaters of the important streams of the West be reserved to insure permanency of water supply for irrigation. Much progress in forestry has been made during the past year. The necessity for perpetuating our forest resources, whether in public or private hands, is recognized now as never before. The demand for forest reserves has become insistent in the West, because the West must use the water, wood, and summer range which only such reserves can supply. Progressive lumbermen are striving, through forestry, to give their business permanence. Other great business interests are awakening to the need of forest preservation as a business matter. The Government's forest work should receive from the Congress hearty support, and especially support adequate for the protection of the forest reserves against fire. The forest-reserve policy of the Government has passed beyond the experimental stage and has reached a condition where scientific methods are essential to its successful prosecution. The administrative features of forest reserves are at present unsatisfactory, being divided between three Bureaus of two Departments. It is therefore recommended that all matters pertaining to forest reserves, except those involving or pertaining to land titles, be consolidated in the Bureau of Forestry of the Department of Agriculture.

The cotton-growing States have recently been invaded by a weevil that has done much damage and threatens the entire cotton industry. I suggest to the Congress the prompt enactment of such remedial legislation as its judgment may approve.

In granting patents to foreigners the proper course for this country to follow is to give the same advantages to foreigners here that the countries in which these foreigners dwell extend in return to our citizens; that is, to extend the benefits of our patent laws on inventions and the like where in return the articles would be patentable in the foreign countries concerned--where an American could get a corresponding patent in such countries.

The Indian agents should not be dependent for their appointment or tenure of office upon considerations of partisan politics; the practice of appointing, when possible, ex-army officers

or bonded superintendents to the vacancies that occur is working well. Attention is invited to the widespread illiteracy due to lack of public schools in the Indian Territory. Prompt heed should be paid to the need of education for the children in this Territory.

In my last annual Message the attention of the Congress was called to the necessity of enlarging the safety-appliance law, and it is gratifying to note that this law was amended in important respects. With the increasing railway mileage of the country, the greater number of men employed, and the use of larger and heavier equipment, the urgency for renewed effort to prevent the loss of life and limb upon the railroads of the country, particularly to employees, is apparent. For the inspection of water craft and the Life-Saving Service upon the water the Congress has built up an elaborate body of protective legislation and a thorough method of inspection and is annually spending large sums of money. It is encouraging to observe that the Congress is alive to the interests of those who are employed upon our wonderful arteries of commerce--the railroads--who so safely transport millions of passengers and billions of tons of freight. The Federal inspection, of safety appliances, for which the Congress is now making appropriations, is a service analogous to that which the Government has upheld for generations in regard to vessels, and it is believed will prove of great practical benefit, both to railroad employees and the traveling public. As the greater part of commerce is interstate and exclusively under the control of the Congress the needed safety and uniformity must be secured by national legislation.

No other class of our citizens deserves so well of the Nation as those to whom the Nation owes its very being, the veterans of the civil war. Special attention is asked to the excellent work of the Pension Bureau in expediting and disposing of pension claims. During the fiscal year ending July 1, 1903, the Bureau settled 251,982 claims, an average of 825 claims for each working day of the year. The number of settlements since July 1, 1903, has been in excess of last year's average, approaching 1,000 claims for each working day, and it is believed that the work of the Bureau will be current at the close of the present fiscal year.

During the year ended June 30 last 25,566 persons were appointed through competitive examinations under the civil-service rules. This was 12,672 more than during the preceding year, and 40 per cent of those who passed the examinations. This abnormal growth was largely occasioned by the extension of classification to the rural free-delivery service and the appointment last year of over 9,000 rural carriers. A revision of the civil-service rules took effect on April 15 last, which has greatly improved their operation. The completion of the reform of the civil service is recognized by good citizens everywhere as a matter of the highest public importance, and the success of the merit system largely depends upon the effectiveness of the rules and the machinery provided for their enforcement. A very gratifying spirit of friendly co-operation exists in all the Departments of the Government in the enforcement and uniform observance of both the letter and spirit of the civil-service act. Executive orders of July 3, 1902; March 26, 1903, and July 8, 1903, require that appointments of all unclassified laborers, both in the Departments at Washington and in the field service, shall be made with

the assistance of the United States Civil Service Commission, under a system of registration to test the relative fitness of applicants for appointment or employment. This system is competitive, and is open to all citizens of the United States qualified in respect to age, physical ability, moral character, industry, and adaptability for manual labor; except that in case of veterans of the Civil War the element of age is omitted. This system of appointment is distinct from the classified service and does not classify positions of mere laborer under the civil-service act and rules. Regulations in aid thereof have been put in operation in several of the Departments and are being gradually extended in other parts of the service. The results have been very satisfactory, as extravagance has been checked by decreasing the number of unnecessary positions and by increasing the efficiency of the employees remaining.

The Congress, as the result of a thorough investigation of the charities and reformatory institutions in the District of Columbia, by a joint select committee of the two Houses which made its report in March, 1898, created in the act approved June 6, 1900, a board of charities for the District of Columbia, to consist of five residents of the District, appointed by the President of the United States, by and with the advice and consent of the Senate, each for a term of three years, to serve without compensation. President McKinley appointed five men who had been active and prominent in the public charities in Washington, all of whom upon taking office July 1, 1900, resigned from the different charities with which they had been connected. The members of the board have been reappointed in successive years. The board serves under the Commissioners of the District of Columbia. The board gave its first year to a careful and impartial study of the special problems before it, and has continued that study every year in the light of the best practice in public charities elsewhere. Its recommendations in its annual reports to the Congress through the Commissioners of the District of Columbia "for the economical and efficient administration of the charities and reformatories of the District of Columbia," as required by the act creating it, have been based upon the principles commended by the joint select committee of the Congress in its report of March, 1898, and approved by the best administrators of public charities, and make for the desired systematization and improvement of the affairs under its supervision. They are worthy of favorable consideration by the Congress.

The effect of the laws providing a General Staff for the Army and for the more effective use of the National Guard has been excellent. Great improvement has been made in the efficiency of our Army in recent years. Such schools as those erected at Fort Leavenworth and Fort Riley and the institution of fall maneuver work accomplish satisfactory results. The good effect of these maneuvers upon the National Guard is marked, and ample appropriation should be made to enable the guardsmen of the several States to share in the benefit. The Government should as soon as possible secure suitable permanent camp sites for military maneuvers in the various sections of the country. The service thereby rendered not only to the Regular Army, but to the National Guard of the several States, will be so great as to repay many times over the relatively small expense. We should not rest satisfied with what has been done, however. The only people who are contented with a system of promotion by mere seniority are those

who are contented with the triumph of mediocrity over excellence. On the other hand, a system which encouraged the exercise of social or political favoritism in promotions would be even worse. But it would surely be easy to devise a method of promotion from grade to grade in which the opinion of the higher officers of the service upon the candidates should be decisive upon the standing and promotion of the latter. Just such a system now obtains at West Point. The quality of each year's work determines the standing of that year's class, the man being dropped or graduated into the next class in the relative position which his military superiors decide to be warranted by his merit. In other words, ability, energy, fidelity, and all other similar qualities determine the rank of a man year after year in West Point, and his standing in the Army when he graduates from West Point; but from that time on, all effort to find which man is best or worst, and reward or punish him accordingly, is abandoned; no brilliancy, no amount of hard work, no eagerness in the performance of duty, can advance him, and no slackness or indifference that falls short of a court-martial offense can retard him. Until this system is changed we can not hope that our officers will be of as high grade as we have a right to expect, considering the material upon which we draw. Moreover, when a man renders such service as Captain Pershing rendered last spring in the Moro campaign, it ought to be possible to reward him without at once jumping him to the grade of brigadier-general.

Shortly after the enunciation of that famous principle of American foreign policy now known as the "Monroe Doctrine," President Monroe, in a special Message to Congress on January 30, 1824, spoke as follows: "The Navy is the arm from which our Government will always derive most aid in support of our rights. Every power engaged in war will know the strength of our naval power, the number of our ships of each class, their condition, and the promptitude with which we may bring them into service, and will pay due consideration to that argument."

I heartily congratulate the Congress upon the steady progress in building up the American Navy. We can not afford a let-up in this great work. To stand still means to go back. There should be no cessation in adding to the effective units of the fighting strength of the fleet. Meanwhile the Navy Department and the officers of the Navy are doing well their part by providing constant service at sea under conditions akin to those of actual warfare. Our officers and enlisted men are learning to handle the battleships, cruisers, and torpedo boats with high efficiency in fleet and squadron formations, and the standard of marksmanship is being steadily raised. The best work ashore is indispensable, but the highest duty of a naval officer is to exercise command at sea.

The establishment of a naval base in the Philippines ought not to be longer postponed. Such a base is desirable in time of peace; in time of war it would be indispensable, and its lack would be ruinous. Without it our fleet would be helpless. Our naval experts are agreed that Subig Bay is the proper place for the purpose. The national interests require that the work of fortification and development of a naval station at Subig Bay be begun at an early date; for under the best conditions it is a work which will consume much time.

It is eminently desirable, however, that there should be provided a naval general staff on lines similar to those of the General Staff lately created for the Army. Within the Navy Department itself the needs of the service have brought about a system under which the duties of a general staff are partially performed; for the Bureau of Navigation has under its direction the War College, the Office of Naval Intelligence, and the Board of Inspection, and has been in close touch with the General Board of the Navy. But though under the excellent officers at their head, these boards and bureaus do good work, they have not the authority of a general staff, and have not sufficient scope to insure a proper readiness for emergencies. We need the establishment by law of a body of trained officers, who shall exercise a systematic control of the military affairs of the Navy, and be authorized advisers of the Secretary concerning it.

By the act of June 28, 1902, the Congress authorized the President to enter into treaty with Colombia for the building of the canal across the Isthmus of Panama; it being provided that in the event of failure to secure such treaty after the lapse of a reasonable time, recourse should be had to building a canal through Nicaragua. It has not been necessary to consider this alternative, as I am enabled to lay before the Senate a treaty providing for the building of the canal across the Isthmus of Panama. This was the route which commended itself to the deliberate judgment of the Congress, and we can now acquire by treaty the right to construct the canal over this route. The question now, therefore, is not by which route the isthmian canal shall be built, for that question has been definitely and irrevocably decided. The question is simply whether or not we shall have an isthmian canal.

When the Congress directed that we should take the Panama route under treaty with Colombia, the essence of the condition, of course, referred not to the Government which controlled that route, but to the route itself; to the territory across which the route lay, not to the name which for the moment the territory bore on the map. The purpose of the law was to authorize the President to make a treaty with the power in actual control of the Isthmus of Panama. This purpose has been fulfilled.

In the year 1846 this Government entered into a treaty with New Granada, the predecessor upon the Isthmus of the Republic of Colombia and of the present Republic of Panama, by which treaty it was provided that the Government and citizens of the United States should always have free and open right of way or transit across the Isthmus of Panama by any modes of communication that might be constructed, while in turn our Government guaranteed the perfect neutrality of the above-mentioned Isthmus with the view that the free transit from the one to the other sea might not be interrupted or embarrassed. The treaty vested in the United States a substantial property right carved out of the rights of sovereignty and property which New Granada then had and possessed over the said territory. The name of New Granada has passed away and its territory has been divided. Its successor, the Government of Colombia, has ceased to own any property in the Isthmus. A new Republic, that of Panama, which was at one time a sovereign state, and at another time a mere department of the successive confederations known as New Granada and Columbia, has now succeeded to the rights which

first one and then the other formerly exercised over the Isthmus. But as long as the Isthmus endures, the mere geographical fact of its existence, and the peculiar interest therein which is required by our position, perpetuate the solemn contract which binds the holders of the territory to respect our right to freedom of transit across it, and binds us in return to safeguard for the Isthmus and the world the exercise of that inestimable privilege. The true interpretation of the obligations upon which the United States entered in this treaty of 1846 has been given repeatedly in the utterances of Presidents and Secretaries of State. Secretary Cuss in 1858 officially stated the position of this Government as follows:

"The progress of events has rendered the interoceanic route across the narrow portion of Central America vastly important to the commercial world, and especially to the United States, whose possessions extend along the Atlantic and Pacific coasts, and demand the speediest and easiest modes of communication. While the rights of sovereignty of the states occupying this region should always be respected, we shall expect that these rights be exercised in a spirit befitting the occasion and the wants and circumstances that have arisen. Sovereignty has its duties as well as its rights, and none of these local governments, even if administered with more regard to the just demands of other nations than they have been, would be permitted, in a spirit of Eastern isolation, to close the gates of intercourse on the great highways of the world, and justify the act by the pretension that these avenues of trade and travel belong to them and that they choose to shut them, or, what is almost equivalent, to encumber them with such unjust relations as would prevent their general use."

Seven years later, in 1865, Mr. Seward in different communications took the following position:

"The United States have taken and will take no interest in any question of internal revolution in the State of Panama, or any State of the United States of Colombia, but will maintain a perfect neutrality in connection with such domestic altercations. The United States will, nevertheless, hold themselves ready to protect the transit trade across the Isthmus against invasion of either domestic or foreign disturbers of the peace of the State of Panama. Neither the text nor the spirit of the stipulation in that article by which the United States engages to preserve the neutrality of the Isthmus of Panama, imposes an obligation on this Government to comply with the requisition of the President of the United States of Colombia for a force to protect the Isthmus of Panama from a body of insurgents of that country]. The purpose of the stipulation was to guarantee the Isthmus against seizure or invasion by a foreign power only."

Attorney-General Speed, under date of November 7, 1865, advised Secretary Seward as follows:

"From this treaty it can not be supposed that New Granada invited the United States to become a party to the intestine troubles of that Government, nor did the United States become bound to take sides in the domestic broils of New Granada. The United States did

guarantee New Granada in the sovereignty and property over the territory. This was as against other and foreign governments."

For four hundred years, ever since shortly after the discovery of this hemisphere, the canal across the Isthmus has been planned. For two score years it has been worked at. When made it is to last for the ages. It is to alter the geography of a continent and the trade routes of the world. We have shown by every treaty we have negotiated or attempted to negotiate with the peoples in control of the Isthmus and with foreign nations in reference thereto our consistent good faith in observing our obligations; on the one hand to the peoples of the Isthmus, and on the other hand to the civilized world whose commercial rights we are safeguarding and guaranteeing by our action. We have done our duty to others in letter and in spirit, and we have shown the utmost forbearance in exacting our own rights.

Last spring, under the act above referred to, a treaty concluded between the representatives of the Republic of Colombia and of our Government was ratified by the Senate. This treaty was entered into at the urgent solicitation of the people of Colombia and after a body of experts appointed by our Government especially to go into the matter of the routes across the Isthmus had pronounced unanimously in favor of the Panama route. In drawing up this treaty every concession was made to the people and to the Government of Colombia. We were more than just in dealing with them. Our generosity was such as to make it a serious question whether we had not gone too far in their interest at the expense of our own; for in our scrupulous desire to pay all possible heed, not merely to the real but even to the fancied rights of our weaker neighbor, who already owed so much to our protection and forbearance, we yielded in all possible ways to her desires in drawing up the treaty. Nevertheless the Government of Colombia not merely repudiated the treaty, but repudiated it in such manner as to make it evident by the time the Colombian Congress adjourned that not the scantiest hope remained of ever getting a satisfactory treaty from them. The Government of Colombia made the treaty, and yet when the Colombian Congress was called to ratify it the vote against ratification was unanimous. It does not appear that the Government made any real effort to secure ratification.

Immediately after the adjournment of the Congress a revolution broke out in Panama. The people of Panama had long been discontented with the Republic of Colombia, and they had been kept quiet only by the prospect of the conclusion of the treaty, which was to them a matter of vital concern. When it became evident that the treaty was hopelessly lost, the people of Panama rose literally as one man. Not a shot was fired by a single man on the Isthmus in the interest of the Colombian Government. Not a life was lost in the accomplishment of the revolution. The Colombian troops stationed on the Isthmus, who had long been unpaid, made common cause with the people of Panama, and with astonishing unanimity the new Republic was started. The duty of the United States in the premises was clear. In strict accordance with the principles laid down by Secretaries Cass and Seward in the official documents above quoted, the United States gave notice that it would permit the

landing of no expeditionary force, the arrival of which would mean chaos and destruction along the line of the railroad and of the proposed Canal, and an interruption of transit as an inevitable consequence. The de facto Government of Panama was recognized in the following telegram to Mr. Ehrman:

"The people of Panama have, by apparently unanimous movement, dissolved their political connection with the Republic of Colombia and resumed their independence. When you are satisfied that a de facto government, republican in form and without substantial opposition from its own people, has been established in the State of Panama, you will enter into relations with it as the responsible government of the territory and look to it for all due action to protect the persons and property of citizens of the United States and to keep open the isthmian transit, in accordance with the obligations of existing treaties governing the relations of the United States to that Territory."

The Government of Colombia was notified of our action by the following telegram to Mr. Beaupre:

"The people of Panama having, by an apparently unanimous movement, dissolved their political connection with the Republic of Colombia and resumed their independence, and having adopted a Government of their own, republican in form, with which the Government of the United States of America has entered into relations, the President of the United States, in accordance with the ties of friendship which have so long and so happily existed between the respective nations, most earnestly commends to the Governments of Colombia and of Panama the peaceful and equitable settlement of all questions at issue between them. He holds that he is bound not merely by treaty obligations, but by the interests of civilization, to see that the peaceful traffic of the world across the Isthmus of Panama shall not longer be disturbed by a constant succession of unnecessary and wasteful civil wars."

When these events happened, fifty-seven years had elapsed since the United States had entered into its treaty with New Granada. During that time the Governments of New Granada and of its successor, Colombia, have been in a constant state of flux. The following is a partial list of the disturbances on the Isthmus of Panama during the period in question as reported to us by our consuls. It is not possible to give a complete list, and some of the reports that speak of "revolutions" must mean unsuccessful revolutions.

- May 22, 1850.--Outbreak; two Americans killed. War vessel demanded to quell outbreak.
- October, 1850.--Revolutionary plot to bring about independence of the Isthmus.
- July 22, 1851.--Revolution in four southern provinces.
- November 14, 1851.--Outbreak at Chagres. Man-of-war requested for Chagres.
- June 27, 1853.--Insurrection at Bogota, and consequent disturbance on Isthmus. War vessel demanded.
- May 23, 1854--Political disturbances; war vessel requested.

- June 28, 1854.--Attempted revolution.
- October 24, 1854.--Independence of Isthmus demanded by provincial legislature.
- April, 1856.--Riot, and massacre of Americans.
- May 4, 1856.--Riot.
- May 18, 1856.--Riot.
- June 3, 1856.--Riot.
- October 2, 1856.--Conflict between two native parties. United States forces landed.
- December 18, 1858.--Attempted secession of Panama.
- April, 1859.--Riots.
- September, 1860.--Outbreak.
- October 4, 1860.--Landing of United States forces in consequence.
- May 23, 1861.--Intervention of the United States forces required by intendente.
- October 2, 1861.--Insurrection and civil war.
- April 4, 1862.--Measures to prevent rebels crossing Isthmus.
- June 13, 1862.--Mosquera's troops refused admittance to Panama.
- March, 1865.--Revolution, and United States troops landed.
- August, 1865.--Riots; unsuccessful attempt to invade Panama.
- March, 1866.--Unsuccessful revolution.
- April, 1867.--Attempt to overthrow Government.
- August, 1867.--Attempt at revolution.
- July 5, 1868.--Revolution; provisional government inaugurated.
- August 29, 1868.--Revolution; provisional government overthrown.
- April, 1871.--Revolution; followed apparently by counter revolution.
- April, 1873.--Revolution and civil war which lasted to October, 1875.
- August, 1876.--Civil war which lasted until April, 1877.
- July, 1878.--Rebellion.
- December, 1878.--Revolt.
- April, 1879.--Revolution.
- June, 1879.--Revolution.
- March, 1883.--Riot.
- May, 1883.--Riot.
- June, 1884.--Revolutionary attempt.
- December, 1884.--Revolutionary attempt.
- January, 1885.--Revolutionary disturbances.
- March, 1885.--Revolution.
- April, 1887.--Disturbance on Panama Railroad.
- November, 1887.--Disturbance on line of canal.
- January, 1889.--Riot.
- January, 1895.--Revolution which lasted until April.
- March, 1895.--Incendiary attempt.
- October, 1899.--Revolution.
- February, 1900, to July, 1900.--Revolution.

- January, 1901--Revolution.
- July, 1901.--Revolutionary disturbances.
- September, 1901.--City of Colon taken by rebels. March, 1902.--Revolutionary disturbances.
- July, 1902.--Revolution.

The above is only a partial list of the revolutions, rebellions, insurrections, riots, and other outbreaks that have occurred during the period in question; yet they number 53 for the 57 years. It will be noted that one of them lasted for nearly three years before it was quelled; another for nearly a year. In short, the experience of over half a century has shown Colombia to be utterly incapable of keeping order on the Isthmus. Only the active interference of the United States has enabled her to preserve so much as a semblance of sovereignty. Had it not been for the exercise by the United States of the police power in her interest, her connection with the Isthmus would have been sundered long ago. In 1856, in 1860, in 1873, in 1885, in 1901, and again in 1902, sailors and marines from United States war ships were forced to land in order to patrol the Isthmus, to protect life and property, and to see that the transit across the Isthmus was kept open. In 1861, in 1862, in 1885, and in 1900, the Colombian Government asked that the United States Government would land troops to protect its interests and maintain order on the Isthmus. Perhaps the most extraordinary request is that which has just been received and which runs as follows: "Knowing that revolution has already commenced in Panama [an eminent Colombian] says that if the Government of the United States will land troops to preserve Colombian sovereignty, and the transit, if requested by Colombian charge d'affaires, this Government will declare martial law; and, by virtue of vested constitutional authority, when public order is disturbed, will approve by decree ratification of the canal treaty as signed; or, if the Government of the United States prefers, will call extra session of the Congress--with new and friendly members--next May to approve the treaty. [An eminent Colombian] has the perfect confidence of vice-president, he says, and if it became necessary will go to the Isthmus or send representatives there to adjust matters along above lines to the satisfaction of the people there."

This dispatch is noteworthy from two standpoints. Its offer of immediately guaranteeing the treaty to us is in sharp contrast with the positive and contemptuous refusal of the Congress which has just closed its sessions to consider favorably such a treaty; it shows that the Government which made the treaty really had absolute control over the situation, but did not choose to exercise this control. The dispatch further calls on us to restore order and secure Colombian supremacy in the Isthmus from which the Colombian Government has just by its action decided to bar us by preventing the construction of the canal.

The control, in the interest of the commerce and traffic of the whole civilized world, of the means of undisturbed transit across the Isthmus of Panama has become of transcendent importance to the United States. We have repeatedly exercised this control by intervening in the course of domestic dissension, and by protecting the territory from foreign invasion. In

1853 Mr. Everett assured the Peruvian minister that we should not hesitate to maintain the neutrality of the Isthmus in the case of war between Peru and Colombia. In 1864 Colombia, which has always been vigilant to avail itself of its privileges conferred by the treaty, expressed its expectation that in the event of war between Peru and Spain the United States would carry into effect the guaranty of neutrality. There have been few administrations of the State Department in which this treaty has not, either by the one side or the other, been used as a basis of more or less important demands. It was said by Mr. Fish in 1871 that the Department of State had reason to believe that an attack upon Colombian sovereignty on the Isthmus had, on several occasions, been averted by warning from this Government. In 1886, when Colombia was under the menace of hostilities from Italy in the Cerruti case, Mr. Bayard expressed the serious concern that the United States could not but feel, that a European power should resort to force against a sister republic of this hemisphere, as to the sovereign and uninterrupted use of a part of whose territory we are guarantors under the solemn faith of a treaty.

The above recital of facts establishes beyond question: First, that the United States has for over half a century patiently and in good faith carried out its obligations under the treaty of 1846; second, that when for the first time it became possible for Colombia to do anything in requital of the services thus repeatedly rendered to it for fifty-seven years by the United States, the Colombian Government peremptorily and offensively refused thus to do its part, even though to do so would have been to its advantage and immeasurably to the advantage of the State of Panama, at that time under its jurisdiction; third, that throughout this period revolutions, riots, and factional disturbances of every kind have occurred one after the other in almost uninterrupted succession, some of them lasting for months and even for years, while the central government was unable to put them down or to make peace with the rebels; fourth, that these disturbances instead of showing any sign of abating have tended to grow more numerous and more serious in the immediate past; fifth, that the control of Colombia over the Isthmus of Panama could not be maintained without the armed intervention and assistance of the United States. In other words, the Government of Colombia, though wholly unable to maintain order on the Isthmus, has nevertheless declined to ratify a treaty the conclusion of which opened the only chance to secure its own stability and to guarantee permanent peace on, and the construction of a canal across, the Isthmus.

Under such circumstances the Government of the United States would have been guilty of folly and weakness, amounting in their sum to a crime against the Nation, had it acted otherwise than it did when the revolution of November 3 last took place in Panama. This great enterprise of building the interoceanic canal can not be held up to gratify the whims, or out of respect to the governmental impotence, or to the even more sinister and evil political peculiarities, of people who, though they dwell afar off, yet, against the wish of the actual dwellers on the Isthmus, assert an unreal supremacy over the territory. The possession of a territory fraught with such peculiar capacities as the Isthmus in question carries with it obligations to mankind. The course of events has shown that this canal can not be built by

private enterprise, or by any other nation than our own; therefore it must be built by the United States.

Every effort has been made by the Government of the United States to persuade Colombia to follow a course which was essentially not only to our interests and to the interests of the world, but to the interests of Colombia itself. These efforts have failed; and Colombia, by her persistence in repulsing the advances that have been made, has forced us, for the sake of our own honor, and of the interest and well-being, not merely of our own people, but of the people of the Isthmus of Panama and the people of the civilized countries of the world, to take decisive steps to bring to an end a condition of affairs which had become intolerable. The new Republic of Panama immediately offered to negotiate a treaty with us. This treaty I herewith submit. By it our interests are better safeguarded than in the treaty with Colombia which was ratified by the Senate at its last session. It is better in its terms than the treaties offered to us by the Republics of Nicaragua and Costa Rica. At last the right to begin this great undertaking is made available. Panama has done her part. All that remains is for the American Congress to do its part, and forthwith this Republic will enter upon the execution of a project colossal in its size and of well-nigh incalculable possibilities for the good of this country and the nations of mankind.

By the provisions of the treaty the United States guarantees and will maintain the independence of the Republic of Panama. There is granted to the United States in perpetuity the use, occupation, and control of a strip ten miles wide and extending three nautical miles into the sea at either terminal, with all lands lying outside of the zone necessary for the construction of the canal or for its auxiliary works, and with the islands in the Bay of Panama. The cities of Panama and Colon are not embraced in the canal zone, but the United States assumes their sanitation and, in case of need, the maintenance of order therein; the United States enjoys within the granted limits all the rights, power, and authority which it would possess were it the sovereign of the territory to the exclusion of the exercise of sovereign rights by the Republic. All railway and canal property rights belonging to Panama and needed for the canal pass to the United States, including any property of the respective companies in the cities of Panama and Colon; the works, property, and personnel of the canal and railways are exempted from taxation as well in the cities of Panama and Colon as in the canal zone and its dependencies. Free immigration of the personnel and importation of supplies for the construction and operation of the canal are granted. Provision is made for the use of military force and the building of fortifications by the United States for the protection of the transit. In other details, particularly as to the acquisition of the interests of the New Panama Canal Company and the Panama Railway by the United States and the condemnation of private property for the uses of the canal, the stipulations of the Hay-Herran treaty are closely followed, while the compensation to be given for these enlarged grants remains the same, being ten millions of dollars payable on exchange of ratifications; and, beginning nine years from that date, an annual payment of \$250,000 during the life of the convention.

