

STATE OF THE UNION MESSAGE

December 5, 1905

To the Senate and House of Representatives:

The people of this country continue to enjoy great prosperity. Undoubtedly there will be ebb and flow in such prosperity, and this ebb and flow will be felt more or less by all members of the community, both by the deserving and the undeserving. Against the wrath of the Lord the wisdom of man cannot avail; in time of flood or drought human ingenuity can but partially repair the disaster. A general failure of crops would hurt all of us. Again, if the folly of man mars the general well-being, then those who are innocent of the folly will have to pay part of the penalty incurred by those who are guilty of the folly. A panic brought on by the speculative folly of part of the business community would hurt the whole business community. But such stoppage of welfare, though it might be severe, would not be lasting. In the long run the one vital factor in the permanent prosperity of the country is the high individual character of the average American worker, the average American citizen, no matter whether his work be mental or manual, whether he be farmer or wage-worker, business man or professional man.

In our industrial and social system the interests of all men are so closely intertwined that in the immense majority of cases a straight-dealing man who by his efficiency, by his ingenuity and industry, benefits himself must also benefit others. Normally the man of great productive capacity who becomes rich by guiding the labor of many other men does so by enabling them to produce more than they could produce without his guidance; and both he and they share in the benefit, which comes also to the public at large. The superficial fact that the sharing may be unequal must never blind us to the underlying fact that there is this sharing, and that the benefit comes in some degree to each man concerned. Normally the wage-worker, the man of small means, and the average consumer, as well as the average producer, are all alike helped by making conditions such that the man of exceptional business ability receives an exceptional reward for his ability. Something can be done by legislation to help the general prosperity; but no such help of a permanently beneficial character can be given to the less able and less fortunate, save as the results of a policy which shall inure to the advantage of all industrious and efficient people who act decently; and this is only another way of saying that any benefit which comes to the less able and less fortunate must of necessity come even more to the more able and more fortunate. If, therefore, the less fortunate man is moved by envy of his more fortunate brother to strike at the conditions under which they have both, though unequally, prospered, the result will assuredly be that while danger may come to the one struck at, it will visit with an even heavier load the one who strikes the blow. Taken as a whole we must all go up or down together.

Yet, while not merely admitting, but insisting upon this, it is also true that where there is no governmental restraint or supervision some of the exceptional men use their energies not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organization are now so large, and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign--that is, to the Government, which represents the people as a whole--some effective power of supervision over their corporate use. In order to insure a healthy social and industrial life, every big corporation should be held responsible by, and be accountable to, some sovereign strong enough to control its conduct. I am in no sense hostile to corporations. This is an age of combination, and any effort to prevent all combination will be not only useless, but in the end vicious, because of the contempt for law which the failure to enforce law inevitably produces. We should, moreover, recognize in cordial and ample fashion the immense good effected by corporate agencies in a country such as ours, and the wealth of intellect, energy, and fidelity devoted to their service, and therefore normally to the service of the public, by their officers and directors. The corporation has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice.

So long as the finances of the Nation are kept upon an honest basis no other question of internal economy with which the Congress has the power to deal begins to approach in importance the matter of endeavoring to secure proper industrial conditions under which the individuals--and especially the great corporations--doing an interstate business are to act. The makers of our National Constitution provided especially that the regulation of interstate commerce should come within the sphere of the General Government. The arguments in favor of their taking this stand were even then overwhelming. But they are far stronger today, in view of the enormous development of great business agencies, usually corporate in form. Experience has shown conclusively that it is useless to try to get any adequate regulation and supervision of these great corporations by State action. Such regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is coextensive with the field of work of the corporations--that is, by the National Government. I believe that this regulation and supervision can be obtained by the enactment of law by the Congress. If this proves impossible, it will certainly be necessary ultimately to confer in fullest form such power upon the National Government by a proper amendment of the Constitution. It would obviously be unwise to endeavor to secure such an amendment until it is certain that the result cannot be obtained under the Constitution as it now is. The laws of the Congress and of the several States hitherto, as passed upon by the courts, have resulted more often in showing that the States have no power in the matter than that the National Government has power; so that there at present exists a very unfortunate condition of things, under which these great corporations doing an interstate business occupy the position of subjects without a sovereign, neither any State Government nor the National Government having effective control over them. Our steady aim should be by legislation, cautiously and carefully undertaken, but

resolutely persevered in, to assert the sovereignty of the National Government by affirmative action.

This is only in form an innovation. In substance it is merely a restoration; for from the earliest time such regulation of industrial activities has been recognized in the action of the lawmaking bodies; and all that I propose is to meet the changed conditions in such manner as will prevent the Commonwealth abdicating the power it has always possessed not only in this country, but also in England before and since this country became a separate Nation.

It has been a misfortune that the National laws on this subject have hitherto been of a negative or prohibitive rather than an affirmative kind, and still more that they have in part sought to prohibit what could not be effectively prohibited, and have in part in their prohibitions confounded what should be allowed and what should not be allowed. It is generally useless to try to prohibit all restraint on competition, whether this restraint be reasonable or unreasonable; and where it is not useless it is generally hurtful. Events have shown that it is not possible adequately to secure the enforcement of any law of this kind by incessant appeal to the courts. The Department of Justice has for the last four years devoted more attention to the enforcement of the anti-trust legislation than to anything else. Much has been accomplished, particularly marked has been the moral effect of the prosecutions; but it is increasingly evident that there will be a very insufficient beneficial result in the way of economic change. The successful prosecution of one device to evade the law immediately develops another device to accomplish the same purpose. What is needed is not sweeping prohibition of every arrangement, good or bad, which may tend to restrict competition, but such adequate supervision and regulation as will prevent any restriction of competition from being to the detriment of the public--as well as such supervision and regulation as will prevent other abuses in no way connected with restriction of competition. Of these abuses, perhaps the chief, although by no means the only one, is overcapitalization--generally itself the result of dishonest promotion--because of the myriad evils it brings in its train; for such overcapitalization often means an inflation that invites business panic; it always conceals the true relation of the profit earned to the capital actually invested, and it creates a burden of interest payments which is a fertile cause of improper reduction in or limitation of wages; it damages the small investor, discourages thrift, and encourages gambling and speculation; while perhaps worst of all is the trickiness and dishonesty which it implies--for harm to morals is worse than any possible harm to material interests, and the debauchery of politics and business by great dishonest corporations is far worse than any actual material evil they do the public. Until the National Government obtains, in some manner which the wisdom of the Congress may suggest, proper control over the big corporations engaged in interstate commerce--that is, over the great majority of the big corporations--it will be impossible to deal adequately with these evils.

I am well aware of the difficulties of the legislation that I am suggesting, and of the need of temperate and cautious action in securing it. I should emphatically protest against improperly

radical or hasty action. The first thing to do is to deal with the great corporations engaged in the business of interstate transportation. As I said in my message of December 6 last, the immediate and most pressing need, so far as legislation is concerned, is the enactment into law of some scheme to secure to the agents of the Government such supervision and regulation of the rates charged by the railroads of the country engaged in interstate traffic as shall summarily and effectively prevent the imposition of unjust or unreasonable rates. It must include putting a complete stop to rebates in every shape and form. This power to regulate rates, like all similar powers over the business world, should be exercised with moderation, caution, and self-restraint; but it should exist, so that it can be effectively exercised when the need arises.

The first consideration to be kept in mind is that the power should be affirmative and should be given to some administrative body created by the Congress. If given to the present Interstate Commerce Commission, or to a reorganized Interstate Commerce Commission, such commission should be made unequivocally administrative. I do not believe in the Government interfering with private business more than is necessary. I do not believe in the Government undertaking any work which can with propriety be left in private hands. But neither do I believe in the Government flinching from overseeing any work when it becomes evident that abuses are sure to obtain therein unless there is governmental supervision. It is not my province to indicate the exact terms of the law which should be enacted; but I call the attention of the Congress to certain existing conditions with which it is desirable to deal, In my judgment the most important provision which such law should contain is that conferring upon some competent administrative body the power to decide, upon the case being brought before it, whether a given rate prescribed by a railroad is reasonable and just, and if it is found to be unreasonable and unjust, then, after full investigation of the complaint, to prescribe the limit of rate beyond which it shall not be lawful to go--the maximum reasonable rate, as it is commonly called--this decision to go into effect within a reasonable time and to obtain from thence onward, subject to review by the courts. It sometimes happens at present not that a rate is too high but that a favored shipper is given too low a rate. In such case the commission would have the right to fix this already established minimum rate as the maximum; and it would need only one or two such decisions by the commission to cure railroad companies of the practice of giving improper minimum rates. I call your attention to the fact that my proposal is not to give the commission power to initiate or originate rates generally, but to regulate a rate already fixed or originated by the roads, upon complaint and after investigation. A heavy penalty should be exacted from any corporation which fails to respect an order of the commission. I regard this power to establish a maximum rate as being essential to any scheme of real reform in the matter of railway regulation. The first necessity is to secure it; and unless it is granted to the commission there is little use in touching the subject at all.

Illegal transactions often occur under the forms of law. It has often occurred that a shipper has been told by a traffic officer to buy a large quantity of some commodity and then after it has

been bought an open reduction is made in the rate to take effect immediately, the arrangement resulting to the profit of one shipper and the one railroad and to the damage of all their competitors; for it must not be forgotten that the big shippers are at least as much to blame as any railroad in the matter of rebates. The law should make it clear so that nobody can fail to understand that any kind of commission paid on freight shipments, whether in this form or in the form of fictitious damages, or of a concession, a free pass, reduced passenger rate, or payment of brokerage, is illegal. It is worth while considering whether it would not be wise to confer on the Government the right of civil action against the beneficiary of a rebate for at least twice the value of the rebate; this would help stop what is really blackmail. Elevator allowances should be stopped, for they have now grown to such an extent that they are demoralizing and are used as rebates.

The best possible regulation of rates would, of course, be that regulation secured by an honest agreement among the railroads themselves to carry out the law. Such a general agreement would, for instance, at once put a stop to the efforts of any one big shipper or big railroad to discriminate against or secure advantages over some rival; and such agreement would make the railroads themselves agents for enforcing the law. The power vested in the Government to put a stop to agreements to the detriment of the public should, in my judgment, be accompanied by power to permit, under specified conditions and careful supervision, agreements clearly in the interest of the public. But, in my judgment, the necessity for giving this further power is by no means as great as the necessity for giving the commission or administrative body the other powers I have enumerated above; and it may well be inadvisable to attempt to vest this particular power in the commission or other administrative body until it already possesses and is exercising what I regard as by far the most important of all the powers I recommend--as indeed the vitally important power--that to fix a given maximum rate, which rate, after the lapse of a reasonable time, goes into full effect, subject to review by the courts.

All private-car lines, industrial roads, refrigerator charges, and the like should be expressly put under the supervision of the Interstate Commerce Commission or some similar body so far as rates, and agreements practically affecting rates, are concerned. The private car owners and the owners of industrial railroads are entitled to a fair and reasonable compensation on their investment, but neither private cars nor industrial railroads nor spur tracks should be utilized as devices for securing preferential rates. A rebate in icing charges, or in mileage, or in a division of the rate for refrigerating charges is just as pernicious as a rebate in any other way. No lower rate should apply on goods imported than actually obtains on domestic goods from the American seaboard to destination except in cases where water competition is the controlling influence. There should be publicity of the accounts of common carriers; no common carrier engaged in interstate business should keep any books or memoranda other than those reported pursuant to law or regulation, and these books or memoranda should be open to the inspection of the Government. Only in this way can violations or evasions of the law be surely detected. A system of examination of railroad accounts should be provided

similar to that now conducted into the National banks by the bank examiners; a few first-class railroad accountants, if they had proper direction and proper authority to inspect books and papers, could accomplish much in preventing willful violations of the law. It would not be necessary for them to examine into the accounts of any railroad unless for good reasons they were directed to do so by the Interstate Commerce Commission. It is greatly to be desired that some way might be found by which an agreement as to transportation within a State intended to operate as a fraud upon the Federal interstate commerce laws could be brought under the jurisdiction of the Federal authorities. At present it occurs that large shipments of interstate traffic are controlled by concessions on purely State business, which of course amounts to an evasion of the law. The commission should have power to enforce fair treatment by the great trunk lines of lateral and branch lines.

I urge upon the Congress the need of providing for expeditious action by the Interstate Commerce Commission in all these matters, whether in regulating rates for transportation or for storing or for handling property or commodities in transit. The history of the cases litigated under the present commerce act shows that its efficacy has been to a great degree destroyed by the weapon of delay, almost the most formidable weapon in the hands of those whose purpose it is to violate the law.

Let me most earnestly say that these recommendations are not made in any spirit of hostility to the railroads. On ethical grounds, on grounds of right, such hostility would be intolerable; and on grounds of mere National self-interest we must remember that such hostility would tell against the welfare not merely of some few rich men, but of a multitude of small investors, a multitude of railway employes, wage workers, and most severely against the interest of the public as a whole. I believe that on the whole our railroads have done well and not ill; but the railroad men who wish to do well should not be exposed to competition with those who have no such desire, and the only way to secure this end is to give to some Government tribunal the power to see that justice is done by the unwilling exactly as it is gladly done by the willing. Moreover, if some Government body is given increased power the effect will be to furnish authoritative answer on behalf of the railroad whenever irrational clamor against it is raised, or whenever charges made against it are disproved. I ask this legislation not only in the interest of the public but in the interest of the honest railroad man and the honest shipper alike, for it is they who are chiefly jeopardized by the practices of their dishonest competitors. This legislation should be enacted in a spirit as remote as possible from hysteria and rancor. If we of the American body politic are true to the traditions we have inherited we shall always scorn any effort to make us hate any man because he is rich, just as much as we should scorn any effort to make us look down upon or treat contemptuously any man because he is poor. We judge a man by his conduct--that is, by his character--and not by his wealth or intellect. If he makes his fortune honestly, there is no just cause of quarrel with him. Indeed, we have nothing but the kindest feelings of admiration for the successful business man who behaves decently, whether he has made his success by building or managing a railroad or by shipping goods over that railroad. The big railroad men and big shippers are simply Americans of the

ordinary type who have developed to an extraordinary degree certain great business qualities. They are neither better nor worse than their fellow-citizens of smaller means. They are merely more able in certain lines and therefore exposed to certain peculiarly strong temptations. These temptations have not sprung newly into being; the exceptionally successful among mankind have always been exposed to them; but they have grown amazingly in power as a result of the extraordinary development of industrialism along new lines, and under these new conditions, which the law-makers of old could not foresee and therefore could not provide against, they have become so serious and menacing as to demand entirely new remedies. It is in the interest of the best type of railroad man and the best type of shipper no less than of the public that there should be Governmental supervision and regulation of these great business operations, for the same reason that it is in the interest of the corporation which wishes to treat its employes aright that there should be an effective Employers' Liability act, or an effective system of factory laws to prevent the abuse of women and children. All such legislation frees the corporation that wishes to do well from being driven into doing ill, in order to compete with its rival, which prefers to do ill. We desire to set up a moral standard. There can be no delusion more fatal to the Nation than the delusion that the standard of profits, of business prosperity, is sufficient in judging any business or political question--from rate legislation to municipal government. Business success, whether for the individual or for the Nation, is a good thing only so far as it is accompanied by and develops a high standard of conduct--honor, integrity, civic courage. The kind of business prosperity that blunts the standard of honor, that puts an inordinate value on mere wealth, that makes a man ruthless and conscienceless in trade, and weak and cowardly in citizenship, is not a good thing at all, but a very bad thing for the Nation. This Government stands for manhood first and for business only as an adjunct of manhood.

The question of transportation lies at the root of all industrial success, and the revolution in transportation which has taken place during the last half century has been the most important factor in the growth of the new industrial conditions. Most emphatically we do not wish to see the man of great talents refused the reward for his talents. Still less do we wish to see him penalized but we do desire to see the system of railroad transportation so handled that the strong man shall be given no advantage over the weak man. We wish to insure as fair treatment for the small town as for the big city; for the small shipper as for the big shipper. In the old days the highway of commerce, whether by water or by a road on land, was open to all; it belonged to the public and the traffic along it was free. At present the railway is this highway, and we must do our best to see that it is kept open to all on equal terms. Unlike the old highway it is a very difficult and complex thing to manage, and it is far better that it should be managed by private individuals than by the Government. But it can only be so managed on condition that justice is done the public. It is because, in my judgment, public ownership of railroads is highly undesirable and would probably in this country entail far-reaching disaster, but I wish to see such supervision and regulation of them in the interest of the public as will make it evident that there is no need for public ownership. The opponents of Government regulation dwell upon the difficulties to be encountered and the intricate and involved nature

of the problem. Their contention is true. It is a complicated and delicate problem, and all kinds of difficulties are sure to arise in connection with any plan of solution, while no plan will bring all the benefits hoped for by its more optimistic adherents. Moreover, under any healthy plan, the benefits will develop gradually and not rapidly. Finally, we must clearly understand that the public servants who are to do this peculiarly responsible and delicate work must themselves be of the highest type both as regards integrity and efficiency. They must be well paid, for otherwise able men cannot in the long run be secured; and they must possess a lofty probity which will revolt as quickly at the thought of pandering to any gust of popular prejudice against rich men as at the thought of anything even remotely resembling subserviency to rich men. But while I fully admit the difficulties in the way, I do not for a moment admit that these difficulties warrant us in stopping in our effort to secure a wise and just system. They should have no other effect than to spur us on to the exercise of the resolution, the even-handed justice, and the fertility of resource, which we like to think of as typically American, and which will in the end achieve good results in this as in other fields of activity. The task is a great one and underlies the task of dealing with the whole industrial problem. But the fact that it is a great problem does not warrant us in shrinking from the attempt to solve it. At present we face such utter lack of supervision, such freedom from the restraints of law, that excellent men have often been literally forced into doing what they deplored because otherwise they were left at the mercy of unscrupulous competitors. To rail at and assail the men who have done as they best could under such conditions accomplishes little. What we need to do is to develop an orderly system, and such a system can only come through the gradually increased exercise of the right of efficient Government control.

In my annual message to the Fifty-eighth Congress, at its third session, I called attention to the necessity for legislation requiring the use of block signals upon railroads engaged in interstate commerce. The number of serious collisions upon unblocked roads that have occurred within the past year adds force to the recommendation then made. The Congress should provide, by appropriate legislation, for the introduction of block signals upon all railroads engaged in interstate commerce at the earliest practicable date, as a measure of increased safety to the traveling public.

Through decisions of the Supreme Court of the United States and the lower Federal courts in cases brought before them for adjudication the safety appliance law has been materially strengthened, and the Government has been enabled to secure its effective enforcement in almost all cases, with the result that the condition of railroad equipment throughout the country is much improved and railroad employes perform their duties under safer conditions than heretofore. The Government's most effective aid in arriving at this result has been its inspection service, and that these improved conditions are not more general is due to the insufficient number of inspectors employed. The inspection service has fully demonstrated its usefulness, and in appropriating for its maintenance the Congress should make provision for an increase in the number of inspectors.

The excessive hours of labor to which railroad employes in train service are in many cases subjected is also a matter which may well engage the serious attention of the Congress. The strain, both mental and physical, upon those who are engaged in the movement and operation of railroad trains under modern conditions is perhaps greater than that which exists in any other industry, and if there are any reasons for limiting by law the hours of labor in any employment, they certainly apply with peculiar force to the employment of those upon whose vigilance and alertness in the performance of their duties the safety of all who travel by rail depends.

In my annual message to the Fifty-seventh Congress, at its second session, I recommended the passage of an employers' liability law for the District of Columbia and in our navy yards. I renewed that recommendation in my message to the Fifty-eighth Congress, at its second session, and further suggested the appointment of a commission to make a comprehensive study of employers' liability, with a view to the enactment of a wise and Constitutional law covering the subject, applicable to all industries within the scope of the Federal power. I hope that such a law will be prepared and enacted as speedily as possible.

The National Government has, as a rule, but little occasion to deal with the formidable group of problems connected more or less directly with what is known as the labor question, for in the great majority of cases these problems must be dealt with by the State and municipal authorities, and not by the National Government. The National Government has control of the District of Columbia, however, and it should see to it that the City of Washington is made a model city in all respects, both as regards parks, public playgrounds, proper regulation of the system of housing, so as to do away with the evils of alley tenements, a proper system of education, a proper system of dealing with truancy and juvenile offenders, a proper handling of the charitable work of the District. Moreover, there should be proper factory laws to prevent all abuses in the employment of women and children in the District. These will be useful chiefly as object lessons, but even this limited amount of usefulness would be of real National value.

There has been demand for depriving courts of the power to issue injunctions in labor disputes. Such special limitation of the equity powers of our courts would be most unwise. It is true that some judges have misused this power; but this does not justify a denial of the power any more than an improper exercise of the power to call a strike by a labor leader would justify the denial of the right to strike. The remedy is to regulate the procedure by requiring the judge to give due notice to the adverse parties before granting the writ, the hearing to be ex parte if the adverse party does not appear at the time and place ordered. What is due notice must depend upon the facts of the case; it should not be used as a pretext to permit violation of law or the jeopardizing of life or property. Of course, this would not authorize the issuing of a restraining order or injunction in any case in which it is not already authorized by existing law.

I renew the recommendation I made in my last annual message for an investigation by the Department of Commerce and Labor of general labor conditions, especial attention to be paid to the conditions of child labor and child-labor legislation in the several States. Such an investigation should take into account the various problems with which the question of child labor is connected. It is true that these problems can be actually met in most cases only by the States themselves, but it would be well for the Nation to endeavor to secure and publish comprehensive information as to the conditions of the labor of children in the different States, so as to spur up those that are behindhand and to secure approximately uniform legislation of a high character among the several States. In such a Republic as ours the one thing that we cannot afford to neglect is the problem of turning out decent citizens. The future of the Nation depends upon the citizenship of the generations to come; the children of today are those who tomorrow will shape the destiny of our land, and we cannot afford to neglect them. The Legislature of Colorado has recommended that the National Government provide some general measure for the protection from abuse of children and dumb animals throughout the United States. I lay the matter before you for what I trust will be your favorable consideration.

The Department of Commerce and Labor should also make a thorough investigation of the conditions of women in industry. Over five million American women are now engaged in gainful occupations; yet there is an almost complete dearth of data upon which to base any trustworthy conclusions as regards a subject as important as it is vast and complicated. There is need of full knowledge on which to base action looking toward State and municipal legislation for the protection of working women. The introduction of women into industry is working change and disturbance in the domestic and social life of the Nation. The decrease in marriage, and especially in the birth rate, has been coincident with it. We must face accomplished facts, and the adjustment of factory conditions must be made, but surely it can be made with less friction and less harmful effects on family life than is now the case. This whole matter in reality forms one of the greatest sociological phenomena of our time; it is a social question of the first importance, of far greater importance than any merely political or economic question can be, and to solve it we need ample data, gathered in a sane and scientific spirit in the course of an exhaustive investigation.

In any great labor disturbance not only are employer and employe interested, but a third party--the general public. Every considerable labor difficulty in which interstate commerce is involved should be investigated by the Government and the facts officially reported to the public.

The question of securing a healthy, self-respecting, and mutually sympathetic attitude as between employer and employe, capitalist and wage-worker, is a difficult one. All phases of the labor problem prove difficult when approached. But the underlying principles, the root principles, in accordance with which the problem must be solved are entirely simple. We can get justice and right dealing only if we put as of paramount importance the principle of treating a man on his worth as a man rather than with reference to his social position, his

occupation or the class to which he belongs. There are selfish and brutal men in all ranks of life. If they are capitalists their selfishness and brutality may take the form of hard indifference to suffering, greedy disregard of every moral restraint which interferes with the accumulation of wealth, and cold-blooded exploitation of the weak; or, if they are laborers, the form of laziness, of sullen envy of the more fortunate, and of willingness to perform deeds of murderous violence. Such conduct is just as reprehensible in one case as in the other, and all honest and farseeing men should join in warring against it wherever it becomes manifest. Individual capitalist and individual wage-worker, corporation and union, are alike entitled to the protection of the law, and must alike obey the law. Moreover, in addition to mere obedience to the law, each man, if he be really a good citizen, must show broad sympathy for his neighbor and genuine desire to look at any question arising between them from the standpoint of that neighbor no less than from his own, and to this end it is essential that capitalist and wage-worker should consult freely one with the other, should each strive to bring closer the day when both shall realize that they are properly partners and not enemies. To approach the questions which inevitably arise between them solely from the standpoint which treats each side in the mass as the enemy of the other side in the mass is both wicked and foolish. In the past the most direful among the influences which have brought about the downfall of republics has ever been the growth of the class spirit, the growth of the spirit which tends to make a man subordinate the welfare of the public as a whole to the welfare of the particular class to which he belongs, the substitution of loyalty to a class for loyalty to the Nation. This inevitably brings about a tendency to treat each man not on his merits as an individual, but on his position as belonging to a certain class in the community. If such a spirit grows up in this Republic it will ultimately prove fatal to us, as in the past it has proved fatal to every community in which it has become dominant. Unless we continue to keep a quick and lively sense of the great fundamental truth that our concern is with the individual worth of the individual man, this Government cannot permanently hold the place which it has achieved among the nations. The vital lines of cleavage among our people do not correspond, and indeed run at right angles to, the lines of cleavage which divide occupation from occupation, which divide wage-workers from capitalists, farmers from bankers, men of small means from men of large means, men who live in the towns from men who live in the country; for the vital line of cleavage is the line which divides the honest man who tries to do well by his neighbor from the dishonest man who does ill by his neighbor. In other words, the standard we should establish is the standard of conduct, not the standard of occupation, of means, or of social position. It is the man's moral quality, his attitude toward the great questions which concern all humanity, his cleanliness of life, his power to do his duty toward himself and toward others, which really count; and if we substitute for the standard of personal judgment which treats each man according to his merits, another standard in accordance with which all men of one class are favored and all men of another class discriminated against, we shall do irreparable damage to the body politic. I believe that our people are too sane, too self-respecting, too fit for self-government, ever to adopt such an attitude. This Government is not and never shall be government by a plutocracy. This Government is not and never shall be government by a mob. It shall continue to be in the future what it has been in the past, a Government based on the

theory that each man, rich or poor, is to be treated simply and solely on his worth as a man, that all his personal and property rights are to be safeguarded, and that he is neither to wrong others nor to suffer wrong from others.

The noblest of all forms of government is self-government; but it is also the most difficult. We who possess this priceless boon, and who desire to hand it on to our children and our children's children, should ever bear in mind the thought so finely expressed by Burke: "Men are qualified for civil liberty in exact proportion to their disposition to put moral chains upon their own appetites; in proportion as they are disposed to listen to the counsels of the wise and good in preference to the flattery of knaves. Society cannot exist unless a controlling power upon will and appetite be placed somewhere, and the less of it there be within the more there must be without. It is ordained in the eternal constitution of things that men of intemperate minds cannot be free. Their passions forge their fetters."

The great insurance companies afford striking examples of corporations whose business has extended so far beyond the jurisdiction of the States which created them as to preclude strict enforcement of supervision and regulation by the parent States. In my last annual message I recommended "that the Congress carefully consider whether the power of the Bureau of Corporations cannot constitutionally be extended to cover interstate transactions in insurance."

Recent events have emphasized the importance of an early and exhaustive consideration of this question, to see whether it is not possible to furnish better safeguards than the several States have been able to furnish against corruption of the flagrant kind which has been exposed. It has been only too clearly shown that certain of the men at the head of these large corporations take but small note of the ethical distinction between honesty and dishonesty; they draw the line only this side of what may be called law-honesty, the kind of honesty necessary in order to avoid falling into the clutches of the law. Of course the only complete remedy for this condition must be found in an aroused public conscience, a higher sense of ethical conduct in the community at large, and especially among business men and in the great profession of the law, and in the growth of a spirit which condemns all dishonesty, whether in rich man or in poor man, whether it takes the shape of bribery or of blackmail. But much can be done by legislation which is not only drastic but practical. There is need of a far stricter and more uniform regulation of the vast insurance interests of this country. The United States should in this respect follow the policy of other nations by providing adequate national supervision of commercial interests which are clearly national in character. My predecessors have repeatedly recognized that the foreign business of these companies is an important part of our foreign commercial relations. During the administrations of Presidents Cleveland, Harrison, and McKinley the State Department exercised its influence, through diplomatic channels, to prevent unjust discrimination by foreign countries against American insurance companies. These negotiations illustrated the propriety of the Congress recognizing the National character of insurance, for in the absence of Federal legislation the State Department

could only give expression to the wishes of the authorities of the several States, whose policy was ineffective through want of uniformity.

I repeat my previous recommendation that the Congress should also consider whether the Federal Government has any power or owes any duty with respect to domestic transactions in insurance of an interstate character. That State supervision has proved inadequate is generally conceded. The burden upon insurance companies, and therefore their policy holders, of conflicting regulations of many States, is unquestioned, while but little effective check is imposed upon any able and unscrupulous man who desires to exploit the company in his own interest at the expense of the policy holders and of the public. The inability of a State to regulate effectively insurance corporations created under the laws of other States and transacting the larger part of their business elsewhere is also clear. As a remedy for this evil of conflicting, ineffective, and yet burdensome regulations there has been for many years a widespread demand for Federal supervision. The Congress has already recognized that interstate insurance may be a proper subject for Federal legislation, for in creating the Bureau of Corporations it authorized it to publish and supply useful information concerning interstate corporations, "including corporations engaged in insurance." It is obvious that if the compilation of statistics be the limit of the Federal power it is wholly ineffective to regulate this form of commercial intercourse between the States, and as the insurance business has outgrown in magnitude the possibility of adequate State supervision, the Congress should carefully consider whether further legislation can be had. What is said above applies with equal force to fraternal and benevolent organizations which contract for life insurance.

There is more need of stability than of the attempt to attain an ideal perfection in the methods of raising revenue; and the shock and strain to the business world certain to attend any serious change in these methods render such change inadvisable unless for grave reason. It is not possible to lay down any general rule by which to determine the moment when the reasons for will outweigh the reasons against such a change. Much must depend, not merely on the needs, but on the desires, of the people as a whole; for needs and desires are not necessarily identical. Of course, no change can be made on lines beneficial to, or desired by, one section or one State only. There must be something like a general agreement among the citizens of the several States, as represented in the Congress, that the change is needed and desired in the interest of the people, as a whole; and there should then be a sincere, intelligent, and disinterested effort to make it in such shape as will combine, so far as possible, the maximum of good to the people at large with the minimum of necessary disregard for the special interests of localities or classes. But in time of peace the revenue must on the average, taking a series of years together, equal the expenditures or else the revenues must be increased. Last year there was a deficit. Unless our expenditures can be kept within the revenues then our revenue laws must be readjusted. It is as yet too early to attempt to outline what shape such a readjustment should take, for it is as yet too early to say whether there will be need for it. It should be considered whether it is not desirable that the tariff laws should provide for applying as against or in favor of any other nation maximum and minimum tariff

rates established by the Congress, so as to secure a certain reciprocity of treatment between other nations and ourselves. Having in view even larger considerations of policy than those of a purely economic nature, it would, in my judgment, be well to endeavor to bring about closer commercial connections with the other peoples of this continent. I am happy to be able to announce to you that Russia now treats us on the most-favored-nation basis.

I earnestly recommend to Congress the need of economy and to this end of a rigid scrutiny of appropriations. As examples merely, I call your attention to one or two specific matters. All unnecessary offices should be abolished. The Commissioner of the General Land Office recommends the abolishment of the office of Receiver of Public Moneys for the United States Land Office. This will effect a saving of about a quarter of a million dollars a year. As the business of the Nation grows, it is inevitable that there should be from time to time a legitimate increase in the number of officials, and this fact renders it all the more important that when offices become unnecessary they should be abolished. In the public printing also a large saving of public money can be made. There is a constantly growing tendency to publish masses of unimportant information. It is probably not unfair to say that many tens of thousands of volumes are published at which no human being ever looks and for which there is no real demand whatever.

Yet, in speaking of economy, I must in no wise be understood as advocating the false economy which is in the end the worst extravagance. To cut down on the navy, for instance, would be a crime against the Nation. To fail to push forward all work on the Panama Canal would be as great a folly.

In my message of December 2, 1902, to the Congress I said: "Interest rates are a potent factor in business activity, and in order that these rates may be equalized to meet the varying needs of the seasons and of widely separated communities, and to prevent the recurrence of financial stringencies, which injuriously affect legitimate business, it is necessary that there should be an element of elasticity in our monetary system. Banks are the natural servants of commerce, and, upon them should be placed, as far as practicable, the burden of furnishing and maintaining a circulation adequate to supply the needs of our diversified industries and of our domestic and foreign commerce; and the issue of this should be so regulated that a sufficient supply should be always available for the business interests of the country."

Every consideration of prudence demands the addition of the element of elasticity to our currency system. The evil does not consist in an inadequate volume of money, but in the rigidity of this volume, which does not respond as it should to the varying needs of communities and of seasons. Inflation must be avoided; but some provision should be made that will insure a larger volume of money during the Fall and Winter months than in the less active seasons of the year; so that the currency will contract against speculation, and will expand for the needs of legitimate business. At present the Treasury Department is at irregularly recurring intervals obliged, in the interest of the business world--that is, in the

interests of the American public--to try to avert financial crises by providing a remedy which should be provided by Congressional action.

At various times I have instituted investigations into the organization and conduct of the business of the executive departments. While none of these inquiries have yet progressed far enough to warrant final conclusions, they have already confirmed and emphasized the general impression that the organization of the departments is often faulty in principle and wasteful in results, while many of their business methods are antiquated and inefficient. There is every reason why our executive governmental machinery should be at least as well planned, economical, and efficient as the best machinery of the great business organizations, which at present is not the case. To make it so is a task of complex detail and essentially executive in its nature; probably no legislative body, no matter how wise and able, could undertake it with reasonable prospect of success. I recommend that the Congress consider this subject with a view to provide by legislation for the transfer, distribution, consolidation, and assignment of duties and executive organizations or parts of organizations, and for the changes in business methods, within or between the several departments, that will best promote the economy, efficiency, and high character of the Government work.

In my last annual message I said: "The power of the Government to protect the integrity of the elections of its own officials is inherent and has been recognized and affirmed by repeated declarations of the Supreme Court. There is no enemy of free government more dangerous and none so insidious as the corruption of the electorate. No one defends or excuses corruption, and it would seem to follow that none would oppose vigorous measures to eradicate it. I recommend the enactment of a law directed against bribery and corruption in Federal elections. The details of such a law may be safely left to the wise discretion of the Congress, but it should go as far as under the Constitution it is possible to go, and should include severe penalties against him who gives or receives a bribe intended to influence his act or opinion as an elector; and provisions for the publication not only of the expenditures for nominations and elections of all candidates, but also of all contributions received and expenditures made by political committees."

I desire to repeat this recommendation. In political campaigns in a country as large and populous as ours it is inevitable that there should be much expense of an entirely legitimate kind. This, of course, means that many contributions, and some of them of large size, must be made, and, as a matter of fact, in any big political contest such contributions are always made to both sides. It is entirely proper both to give and receive them, unless there is an improper motive connected with either gift or reception. If they are extorted by any kind of pressure or promise, express or implied, direct or indirect, in the way of favor or immunity, then the giving or receiving becomes not only improper but criminal. It will undoubtedly be difficult, as a matter of practical detail, to shape an act which shall guard with reasonable certainty against such misconduct; but if it is possible to secure by law the full and verified publication in detail of all the sums contributed to and expended by the candidates or committees of any political

parties, the result cannot but be wholesome. All contributions by corporations to any political committee or for any political purpose should be forbidden by law; directors should not be permitted to use stockholders' money for such purposes; and, moreover, a prohibition of this kind would be, as far as it went, an effective method of stopping the evils aimed at in corrupt practices acts. Not only should both the National and the several State Legislatures forbid any officer of a corporation from using the money of the corporation in or about any election, but they should also forbid such use of money in connection with any legislation save by the employment of counsel in public manner for distinctly legal services.

The first conference of nations held at The Hague in 1899, being unable to dispose of all the business before it, recommended the consideration and settlement of a number of important questions by another conference to be called subsequently and at an early date. These questions were the following: (1) The rights and duties of neutrals; (2) the limitation of the armed forces on land and sea, and of military budgets; (3) the use of new types and calibres of military and naval guns; (4) the inviolability of private property at sea in times of war; (5) the bombardment of ports, cities, and villages by naval forces. In October, 1904, at the instance of the Interparliamentary Union, which, at a conference held in the United States, and attended by the lawmakers of fifteen different nations, had reiterated the demand for a second conference of nations, I issued invitations to all the powers signatory to The Hague Convention to send delegates to such a conference, and suggested that it be again held at The Hague. In its note of December 16, 1904, the United States Government communicated to the representatives of foreign governments its belief that the conference could be best arranged under the provisions of the present Hague treaty.

From all the powers acceptance was received, coupled in some cases with the condition that we should wait until the end of the war then waging between Russia and Japan. The Emperor of Russia, immediately after the treaty of peace which so happily terminated this war, in a note presented to the President on September 13, through Ambassador Rosen, took the initiative in recommending that the conference be now called. The United States Government in response expressed its cordial acquiescence, and stated that it would, as a matter of course, take part in the new conference and endeavor to further its aims. We assume that all civilized governments will support the movement, and that the conference is now an assured fact. This Government will do everything in its power to secure the success of the conference, to the end that substantial progress may be made in the cause of international peace, justice, and good will.

This renders it proper at this time to say something as to the general attitude of this Government toward peace. More and more war is coming to be looked upon as in itself a lamentable and evil thing. A wanton or useless war, or a war of mere aggression--in short, any war begun or carried on in a conscienceless spirit, is to be condemned as a peculiarly atrocious crime against all humanity. We can, however, do nothing of permanent value for peace unless we keep ever clearly in mind the ethical element which lies at the root of the problem. Our

aim is righteousness. Peace is normally the hand-maiden of righteousness; but when peace and righteousness conflict then a great and upright people can never for a moment hesitate to follow the path which leads toward righteousness, even though that path also leads to war. There are persons who advocate peace at any price; there are others who, following a false analogy, think that because it is no longer necessary in civilized countries for individuals to protect their rights with a strong hand, it is therefore unnecessary for nations to be ready to defend their rights. These persons would do irreparable harm to any nation that adopted their principles, and even as it is they seriously hamper the cause which they advocate by tending to render it absurd in the eyes of sensible and patriotic men. There can be no worse foe of mankind in general, and of his own country in particular, than the demagogue of war, the man who in mere folly or to serve his own selfish ends continually rails at and abuses other nations, who seeks to excite his countrymen against foreigners on insufficient pretexts, who excites and inflames a perverse and aggressive national vanity, and who may on occasions wantonly bring on conflict between his nation and some other nation. But there are demagogues of peace just as there are demagogues of war, and in any such movement as this for The Hague conference it is essential not to be misled by one set of extremists any more than by the other. Whenever it is possible for a nation or an individual to work for real peace, assuredly it is failure of duty not so to strive, but if war is necessary and righteous then either the man or the nation shrinking from it forfeits all title to self-respect. We have scant sympathy with the sentimentalist who dreads oppression less than physical suffering, who would prefer a shameful peace to the pain and toil sometimes lamentably necessary in order to secure a righteous peace. As yet there is only a partial and imperfect analogy between international law and internal or municipal law, because there is no sanction of force for executing the former while there is in the case of the latter. The private citizen is protected in his rights by the law, because the law rests in the last resort upon force exercised through the forms of law. A man does not have to defend his rights with his own hand, because he can call upon the police, upon the sheriff's posse, upon the militia, or in certain extreme cases upon the army, to defend him. But there is no such sanction of force for international law. At present there could be no greater calamity than for the free peoples, the enlightened, independent, and peace-loving peoples, to disarm while yet leaving it open to any barbarism or despotism to remain armed. So long as the world is as unorganized as now the armies and navies of those peoples who on the whole stand for justice, offer not only the best, but the only possible, security for a just peace. For instance, if the United States alone, or in company only with the other nations that on the whole tend to act justly, disarmed, we might sometimes avoid bloodshed, but we would cease to be of weight in securing the peace of justice--the real peace for which the most law-abiding and high-minded men must at times be willing to fight. As the world is now, only that nation is equipped for peace that knows how to fight, and that will not shrink from fighting if ever the conditions become such that war is demanded in the name of the highest morality.

So much it is emphatically necessary to say in order both that the position of the United States may not be misunderstood, and that a genuine effort to bring nearer the day of the peace of

justice among the nations may not be hampered by a folly which, in striving to achieve the impossible, would render it hopeless to attempt the achievement of the practical. But, while recognizing most clearly all above set forth, it remains our clear duty to strive in every practicable way to bring nearer the time when the sword shall not be the arbiter among nations. At present the practical thing to do is to try to minimize the number of cases in which it must be the arbiter, and to offer, at least to all civilized powers, some substitute for war which will be available in at least a considerable number of instances. Very much can be done through another Hague conference in this direction, and I most earnestly urge that this Nation do all in its power to try to further the movement and to make the result of the decisions of The Hague conference effective. I earnestly hope that the conference may be able to devise some way to make arbitration between nations the customary way of settling international disputes in all save a few classes of cases, which should themselves be as sharply defined and rigidly limited as the present governmental and social development of the world will permit. If possible, there should be a general arbitration treaty negotiated among all the nations represented at the conference. Neutral rights and property should be protected at sea as they are protected on land. There should be an international agreement to this purpose and a similar agreement defining contraband of war.

During the last century there has been a distinct diminution in the number of wars between the most civilized nations. International relations have become closer and the development of The Hague tribunal is not only a symptom of this growing closeness of relationship, but is a means by which the growth can be furthered. Our aim should be from time to time to take such steps as may be possible toward creating something like an organization of the civilized nations, because as the world becomes more highly organized the need for navies and armies will diminish. It is not possible to secure anything like an immediate disarmament, because it would first be necessary to settle what peoples are on the whole a menace to the rest of mankind, and to provide against the disarmament of the rest being turned into a movement which would really chiefly benefit these obnoxious peoples; but it may be possible to exercise some check upon the tendency to swell indefinitely the budgets for military expenditure. Of course such an effort could succeed only if it did not attempt to do too much; and if it were undertaken in a spirit of sanity as far removed as possible from a merely hysterical pseudo-philanthropy. It is worth while pointing out that since the end of the insurrection in the Philippines this Nation has shown its practical faith in the policy of disarmament by reducing its little army one-third. But disarmament can never be of prime importance; there is more need to get rid of the causes of war than of the implements of war.

I have dwelt much on the dangers to be avoided by steering clear of any mere foolish sentimentality because my wish for peace is so genuine and earnest; because I have a real and great desire that this second Hague conference may mark a long stride forward in the direction of securing the peace of justice throughout the world. No object is better worthy the attention of enlightened statesmanship than the establishment of a surer method than now exists of securing justice as between nations, both for the protection of the little nations and

for the prevention of war between the big nations. To this aim we should endeavor not only to avert bloodshed, but, above all, effectively to strengthen the forces of right. The Golden Rule should be, and as the world grows in morality it will be, the guiding rule of conduct among nations as among individuals; though the Golden Rule must not be construed, in fantastic manner, as forbidding the exercise of the police power. This mighty and free Republic should ever deal with all other States, great or small, on a basis of high honor, respecting their rights as jealously as it safeguards its own.

One of the most effective instruments for peace is the Monroe Doctrine as it has been and is being gradually developed by this Nation and accepted by other nations. No other policy could have been as efficient in promoting peace in the Western Hemisphere and in giving to each nation thereon the chance to develop along its own lines. If we had refused to apply the doctrine to changing conditions it would now be completely outworn, would not meet any of the needs of the present day, and, indeed, would probably by this time have sunk into complete oblivion. It is useful at home, and is meeting with recognition abroad because we have adapted our application of it to meet the growing and changing needs of the hemisphere. When we announce a policy such as the Monroe Doctrine we thereby commit ourselves to the consequences of the policy, and those consequences from time to time alter. It is out of the question to claim a right and yet shirk the responsibility for its exercise. Not only we, but all American republics who are benefited by the existence of the doctrine, must recognize the obligations each nation is under as regards foreign peoples no less than its duty to insist upon its own rights.

That our rights and interests are deeply concerned in the maintenance of the doctrine is so clear as hardly to need argument. This is especially true in view of the construction of the Panama Canal. As a mere matter of self-defense we must exercise a close watch over the approaches to this canal; and this means that we must be thoroughly alive to our interests in the Caribbean Sea.

There are certain essential points which must never be forgotten as regards the Monroe Doctrine. In the first place we must as a Nation make it evident that we do not intend to treat it in any shape or way as an excuse for aggrandizement on our part at the expense of the republics to the south. We must recognize the fact that in some South American countries there has been much suspicion lest we should interpret the Monroe Doctrine as in some way inimical to their interests, and we must try to convince all the other nations of this continent once and for all that no just and orderly Government has anything to fear from us. There are certain republics to the south of us which have already reached such a point of stability, order, and prosperity that they themselves, though as yet hardly consciously, are among the guarantors of this doctrine. These republics we now meet not only on a basis of entire equality, but in a spirit of frank and respectful friendship, which we hope is mutual. If all of the republics to the south of us will only grow as those to which I allude have already grown, all need for us to be the especial champions of the doctrine will disappear, for no stable and

growing American Republic wishes to see some great non-American military power acquire territory in its neighborhood. All that this country desires is that the other republics on this continent shall be happy and prosperous; and they cannot be happy and prosperous unless they maintain order within their boundaries and behave with a just regard for their obligations toward outsiders. It must be understood that under no circumstances will the United States use the Monroe Doctrine as a cloak for territorial aggression. We desire peace with all the world, but perhaps most of all with the other peoples of the American Continent. There are, of course, limits to the wrongs which any self-respecting nation can endure. It is always possible that wrong actions toward this Nation, or toward citizens of this Nation, in some State unable to keep order among its own people, unable to secure justice from outsiders, and unwilling to do justice to those outsiders who treat it well, may result in our having to take action to protect our rights; but such action will not be taken with a view to territorial aggression, and it will be taken at all only with extreme reluctance and when it has become evident that every other resource has been exhausted.

Moreover, we must make it evident that we do not intend to permit the Monroe Doctrine to be used by any nation on this Continent as a shield to protect it from the consequences of its own misdeeds against foreign nations. If a republic to the south of us commits a tort against a foreign nation, such as an outrage against a citizen of that nation, then the Monroe Doctrine does not force us to interfere to prevent punishment of the tort, save to see that the punishment does not assume the form of territorial occupation in any shape. The case is more difficult when it refers to a contractual obligation. Our own Government has always refused to enforce such contractual obligations on behalf, of its citizens by an appeal to arms. It is much to be wished that all foreign governments would take the same view. But they do not; and in consequence we are liable at any time to be brought face to face with disagreeable alternatives. On the one hand, this country would certainly decline to go to war to prevent a foreign government from collecting a just debt; on the other hand, it is very inadvisable to permit any foreign power to take possession, even temporarily, of the custom houses of an American Republic in order to enforce the payment of its obligations; for such temporary occupation might turn into a permanent occupation. The only escape from these alternatives may at any time be that we must ourselves undertake to bring about some arrangement by which so much as possible of a just obligation shall be paid. It is far better that this country should put through such an arrangement, rather than allow any foreign country to undertake it. To do so insures the defaulting republic from having to pay debt of an improper character under duress, while it also insures honest creditors of the republic from being passed by in the interest of dishonest or grasping creditors. Moreover, for the United States to take such a position offers the only possible way of insuring us against a clash with some foreign power. The position is, therefore, in the interest of peace as well as in the interest of justice. It is of benefit to our people; it is of benefit to foreign peoples; and most of all it is really of benefit to the people of the country concerned.

This brings me to what should be one of the fundamental objects of the Monroe Doctrine. We must ourselves in good faith try to help upward toward peace and order those of our sister republics which need such help. Just as there has been a gradual growth of the ethical element in the relations of one individual to another, so we are, even though slowly, more and more coming to recognize the duty of bearing one another's burdens, not only as among individuals, but also as among nations.

Santo Domingo, in her turn, has now made an appeal to us to help her, and not only every principle of wisdom but every generous instinct within us bids us respond to the appeal. It is not of the slightest consequence whether we grant the aid needed by Santo Domingo as an incident to the wise development of the Monroe Doctrine or because we regard the case of Santo Domingo as standing wholly by itself, and to be treated as such, and not on general principles or with any reference to the Monroe Doctrine. The important point is to give the needed aid, and the case is certainly sufficiently peculiar to deserve to be judged purely on its own merits. The conditions in Santo Domingo have for a number of years grown from bad to worse until a year ago all society was on the verge of dissolution. Fortunately, just at this time a ruler sprang up in Santo Domingo, who, with his colleagues, saw the dangers threatening their country and appealed to the friendship of the only great and powerful neighbor who possessed the power, and as they hoped also the will to help them. There was imminent danger of foreign intervention. The previous rulers of Santo Domingo had recklessly incurred debts, and owing to her internal disorders she had ceased to be able to provide means of paying the debts. The patience of her foreign creditors had become exhausted, and at least two foreign nations were on the point of intervention, and were only prevented from intervening by the unofficial assurance of this Government that it would itself strive to help Santo Domingo in her hour of need. In the case of one of these nations, only the actual opening of negotiations to this end by our Government prevented the seizure of territory in Santo Domingo by a European power. Of the debts incurred some were just, while some were not of a character which really renders it obligatory on or proper for Santo Domingo to pay them in full. But she could not pay any of them unless some stability was assured her Government and people.

Accordingly, the Executive Department of our Government negotiated a treaty under which we are to try to help the Dominican people to straighten out their finances. This treaty is pending before the Senate. In the meantime a temporary arrangement has been made which will last until the Senate has had time to take action upon the treaty. Under this arrangement the Dominican Government has appointed Americans to all the important positions in the customs service and they are seeing to the honest collection of the revenues, turning over 45 per cent. to the Government for running expenses and putting the other 55 per cent. into a safe depository for equitable division in case the treaty shall be ratified, among the various creditors, whether European or American.

The Custom Houses offer well-nigh the only sources of revenue in Santo Domingo, and the different revolutions usually have as their real aim the obtaining of these Custom Houses. The mere fact that the Collectors of Customs are Americans, that they are performing their duties with efficiency and honesty, and that the treaty is pending in the Senate gives a certain moral power to the Government of Santo Domingo which it has not had before. This has completely discouraged all revolutionary movement, while it has already produced such an increase in the revenues that the Government is actually getting more from the 45 per cent. that the American Collectors turn over to it than it got formerly when it took the entire revenue. It is enabling the poor, harassed people of Santo Domingo once more to turn their attention to industry and to be free from the cure of interminable revolutionary disturbance. It offers to all bona-fide creditors, American and European, the only really good chance to obtain that to which they are justly entitled, while it in return gives to Santo Domingo the only opportunity of defense against claims which it ought not to pay, for now if it meets the views of the Senate we shall ourselves thoroughly examine all these claims, whether American or foreign, and see that none that are improper are paid. There is, of course, opposition to the treaty from dishonest creditors, foreign and American, and from the professional revolutionists of the island itself. We have already reason to believe that some of the creditors who do not dare expose their claims to honest scrutiny are endeavoring to stir up sedition in the island and opposition to the treaty. In the meantime, I have exercised the authority vested in me by the joint resolution of the Congress to prevent the introduction of arms into the island for revolutionary purposes.

Under the course taken, stability and order and all the benefits of peace are at last coming to Santo Domingo, danger of foreign intervention has been suspended, and there is at last a prospect that all creditors will get justice, no more and no less. If the arrangement is terminated by the failure of the treaty chaos will follow; and if chaos follows, sooner or later this Government may be involved in serious difficulties with foreign Governments over the island, or else may be forced itself to intervene in the island in some unpleasant fashion. Under the proposed treaty the independence of the island is scrupulously respected, the danger of violation of the Monroe Doctrine by the intervention of foreign powers vanishes, and the interference of our Government is minimized, so that we shall only act in conjunction with the Santo Domingo authorities to secure the proper administration of the customs, and therefore to secure the payment of just debts and to secure the Dominican Government against demands for unjust debts. The proposed method will give the people of Santo Domingo the same chance to move onward and upward which we have already given to the people of Cuba. It will be doubly to our discredit as a Nation if we fail to take advantage of this chance; for it will be of damage to ourselves, and it will be of incalculable damage to Santo Domingo. Every consideration of wise policy, and, above all, every consideration of large generosity, bids us meet the request of Santo Domingo as we are now trying to meet it.

We cannot consider the question of our foreign policy without at the same time treating of the Army and the Navy. We now have a very small army indeed, one well-nigh infinitesimal when

compared With the army of any other large nation. Of course the army we do have should be as nearly perfect of its kind and for its size as is possible. I do not believe that any army in the world has a better average of enlisted men or a better type of junior officer; but the army should be trained to act effectively in a mass. Provision should be made by sufficient appropriations for manoeuvres of a practical kind, so that the troops may learn how to take care of themselves under actual service conditions; every march, for instance, being made with the soldier loaded exactly as he would be in active campaign. The Generals and Colonels would thereby have opportunity of handling regiments, brigades, and divisions, and the commissary and medical departments would be tested in the field. Provision should be made for the exercise at least of a brigade and by preference of a division in marching and embarking at some point on our coast and disembarking at some other point and continuing its march. The number of posts in which the army is kept in time of peace should be materially diminished and the posts that are left made correspondingly larger. No local interests should be allowed to stand in the way of assembling the greater part of the troops which would at need form our field armies in stations of such size as will permit the best training to be given to the personnel of all grades, including the high officers and staff officers. To accomplish this end we must have not company or regimental garrisons, but brigade and division garrisons. Promotion by mere seniority can never result in a thoroughly efficient corps of officers in the higher ranks unless there accompanies it a vigorous weeding-out process. Such a weeding-out process--that is, such a process of selection--is a chief feature of the four years' course of the young officer at West Point. There is no good reason why it should stop immediately upon his graduation. While at West Point he is dropped unless he comes up to a certain standard of excellence, and when he graduates he takes rank in the army according to his rank of graduation. The results are good at West Point; and there should be in the army itself something that will achieve the same end. After a certain age has been reached the average officer is unfit to do good work below a certain grade. Provision should be made for the promotion of exceptionally meritorious men over the heads of their comrades and for the retirement of all men who have reached a given age without getting beyond a given rank; this age of retirement of course changing from rank to rank. In both the army and the navy there should be some principle of selection, that is, of promotion for merit, and there should be a resolute effort to eliminate the aged officers of reputable character who possess no special efficiency.

There should be an increase in the coast artillery force, so that our coast fortifications can be in some degree adequately manned. There is special need for an increase and reorganization of the Medical Department of the army. In both the army and navy there must be the same thorough training for duty in the staff corps as in the fighting line. Only by such training in advance can we be sure that in actual war field operations and those at sea will be carried on successfully. The importance of this was shown conclusively in the Spanish-American and the Russo-Japanese wars. The work of the medical departments in the Japanese army and navy is especially worthy of study. I renew my recommendation of January 9, 1905, as to the Medical Department of the army and call attention to the equal importance of the needs of the staff

corps of the navy. In the Medical Department of the navy the first in importance is the reorganization of the Hospital Corps, on the lines of the Gallinger bill, (S. 3,984, February 1, 1904), and the reapportionment of the different grades of the medical officers to meet service requirements. It seems advisable also that medical officers of the army and navy should have similar rank and pay in their respective grades, so that their duties can be carried on without friction when they are brought together. The base hospitals of the navy should be put in condition to meet modern requirements and hospital ships be provided. Unless we now provide with ample forethought for the medical needs of the army and navy appalling suffering of a preventable kind is sure to occur if ever the country goes to war. It is not reasonable to expect successful administration in time of war of a department which lacks a third of the number of officers necessary to perform the medical service in time of peace. We need men who are not merely doctors; they must be trained in the administration of military medical service.

Our navy must, relatively to the navies of other nations, always be of greater size than our army. We have most wisely continued for a number of years to build up our navy, and it has now reached a fairly high standard of efficiency. This standard of efficiency must not only be maintained, but increased. It does not seem to be necessary, however, that the navy should--at least in the immediate future--be increased beyond the present number of units. What is now clearly necessary is to substitute efficient for inefficient units as the latter become worn out or as it becomes apparent that they are useless. Probably the result would be attained by adding a single battleship to our navy each year, the superseded or outworn vessels being laid up or broken up as they are thus replaced. The four single-turret monitors built immediately after the close of the Spanish war, for instance, are vessels which would be of but little use in the event of war. The money spent upon them could have been more usefully spent in other ways. Thus it would have been far better never to have built a single one of these monitors and to have put the money into an ample supply of reserve guns. Most of the smaller cruisers and gunboats, though they serve a useful purpose so far as they are needed for international police work, would not add to the strength of our navy in a conflict with a serious foe. There is urgent need of providing a large increase in the number of officers, and especially in the number of enlisted men.

Recent naval history has emphasized certain lessons which ought not to, but which do, need emphasis. Seagoing torpedo boats or destroyers are indispensable, not only for making night attacks by surprise upon an enemy, but even in battle for finishing already crippled ships. Under exceptional circumstances submarine boats would doubtless be of use. Fast scouts are needed. The main strength of the navy, however, lies, and can only lie, in the great battleships, the heavily armored, heavily gunned vessels which decide the mastery of the seas. Heavy-armed cruisers also play a most useful part, and unarmed cruisers, if swift enough, are very useful as scouts. Between antagonists of approximately equal prowess the comparative perfection of the instruments of war will ordinarily determine the fight. But it is, of course, true that the man behind the gun, the man in the engine room, and the man in the conning

tower, considered not only individually, but especially with regard to the way in which they work together, are even more important than the weapons with which they work. The most formidable battleship is, of course, helpless against even a light cruiser if the men aboard it are unable to hit anything with their guns, and thoroughly well-handled cruisers may count seriously in an engagement with much superior vessels, if the men aboard the latter are ineffective, whether from lack of training or from any other cause. Modern warships are most formidable mechanisms when well handled, but they are utterly useless when not well handled, and they cannot be handled at all without long and careful training. This training can under no circumstance be given when once war has broken out. No fighting ship of the first class should ever be laid up save for necessary repairs, and her crew should be kept constantly exercised on the high seas, so that she may stand at the highest point of perfection. To put a new and untrained crew upon the most powerful battleship and send it out to meet a formidable enemy is not only to invite, but to insure, disaster and disgrace. To improvise crews at the outbreak of a war, so far as the serious fighting craft are concerned, is absolutely hopeless. If the officers and men are not thoroughly skilled in, and have not been thoroughly trained to, their duties, it would be far better to keep the ships in port during hostilities than to send them against a formidable opponent, for the result could only be that they would be either sunk or captured. The marksmanship of our navy is now on the whole in a gratifying condition, and there has been a great improvement in fleet practice. We need additional seamen; we need a large store of reserve guns; we need sufficient money for ample target practice, ample practice of every kind at sea. We should substitute for comparatively inefficient types--the old third-class battleship Texas, the single-turreted monitors above mentioned, and, indeed, all the monitors and some of the old cruisers--efficient, modern seagoing vessels. Seagoing torpedo-boat destroyers should be substituted for some of the smaller torpedo boats. During the present Congress there need be no additions to the aggregate number of units of the navy. Our navy, though very small relatively to the navies of other nations, is for the present sufficient in point of numbers for our needs, and while we must constantly strive to make its efficiency higher, there need be no additions to the total of ships now built and building, save in the way of substitution as above outlined. I recommend the report of the Secretary of the Navy to the careful consideration of the Congress, especially with a view to the legislation therein advocated.

During the past year evidence has accumulated to confirm the expressions contained in my last two annual messages as to the importance of revising by appropriate legislation our system of naturalizing aliens. I appointed last March a commission to make a careful examination of our naturalization laws, and to suggest appropriate measures to avoid the notorious abuses resulting from the improvident of unlawful granting of citizenship. This commission, composed of an officer of the Department of State, of the Department of Justice, and of the Department of Commerce and Labor, has discharged the duty imposed upon it, and has submitted a report, which will be transmitted to the Congress for its consideration, and, I hope, for its favor, able action.

The distinguishing recommendations of the commission are: First--A Federal Bureau of Naturalization, to be established in the Department of Commerce and Labor, to supervise the administration of the naturalization laws and to receive returns of naturalizations pending and accomplished. Second--Uniformity of naturalization certificates, fees to be charged, and procedure. Third--More exacting qualifications for citizenship. Fourth--The preliminary declaration of intention to be abolished and no alien to be naturalized until at least ninety days after the filing of his petition. Fifth--Jurisdiction to naturalize aliens to be confined to United States district courts and to such State courts as have jurisdiction in civil actions in which the amount in controversy is unlimited; in cities of over 100,000 inhabitants the United States district courts to have exclusive jurisdiction in the naturalization of the alien residents of such cities.

In my last message I asked the attention of the Congress to the urgent need of action to make our criminal law more effective; and I most earnestly request that you pay heed to the report of the Attorney General on this subject. Centuries ago it was especially needful to throw every safeguard round the accused. The danger then was lest he should be wronged by the State. The danger is now exactly the reverse. Our laws and customs tell immensely in favor of the criminal and against the interests of the public he has wronged. Some antiquated and outworn rules which once safeguarded the threatened rights of private citizens, now merely work harm to the general body politic. The criminal law of the United States stands in urgent need of revision. The criminal process of any court of the United States should run throughout the entire territorial extent of our country. The delays of the criminal law, no less than of the civil, now amount to a very great evil.

There seems to be no statute of the United States which provides for the punishment of a United States Attorney or other officer of the Government who corruptly agrees to wrongfully do or wrongfully refrain from doing any act when the consideration for such corrupt agreement is other than one possessing money value. This ought to be remedied by appropriate legislation. Legislation should also be enacted to cover explicitly, unequivocally, and beyond question breach of trust in the shape of prematurely divulging official secrets by an officer or employe of the United States, and to provide a suitable penalty therefor. Such officer or employe owes the duty to the United States to guard carefully and not to divulge or in any manner use, prematurely, information which is accessible to the officer or employe by reason of his official position. Most breaches of public trust are already covered by the law, and this one should be. It is impossible, no matter how much care is used, to prevent the occasional appointment to the public service of a man who when tempted proves unfaithful; but every means should be provided to detect and every effort made to punish the wrongdoer. So far as in my power see each and every such wrongdoer shall be relentlessly hunted down; in no instance in the past has he been spared; in no instance in the future shall he be spared. His crime is a crime against every honest man in the Nation, for it is a crime against the whole body politic. Yet in dwelling on such misdeeds it is unjust not to add that they are altogether exceptional, and that on the whole the employes of the Government

render upright and faithful service to the people. There are exceptions, notably in one or two branches of the service, but at no time in the Nation's history has the public service of the Nation taken as a whole stood on a higher plane than now, alike as regards honesty and as regards efficiency.

Once again I call your attention to the condition of the public land laws. Recent developments have given new urgency to the need for such changes as will fit these laws to actual present conditions. The honest disposal and right use of the remaining public lands is of fundamental importance. The iniquitous methods by which the monopolizing of the public lands is being brought about under the present laws are becoming more generally known, but the existing laws do not furnish effective remedies. The recommendations of the Public Lands Commission upon this subject are wise and should be given effect.

The creation of small irrigated farms under the Reclamation act is a powerful offset to the tendency of certain other laws to foster or permit monopoly of the land. Under that act the construction of great irrigation works has been proceeding rapidly and successfully, the lands reclaimed are eagerly taken up, and the prospect that the policy of National irrigation will accomplish all that was expected of it is bright. The act should be extended to include the State of Texas.

The Reclamation act derives much of its value from the fact that it tends to secure the greatest possible number of homes on the land, and to create communities of freeholders, in part by settlement on public lands, in part by forcing the subdivision of large private holdings before they can get water from Government irrigation works. The law requires that no right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one land owner. This provision has excited active and powerful hostility, but the success of the law itself depends on the wise and firm enforcement of it. We cannot afford to substitute tenants for freeholders on the public domain.

The greater part of the remaining public lands can not be irrigated. They are at present and will probably always be of greater value for grazing than for any other purpose. This fact has led to the grazing homestead of 640 acres in Nebraska and to the proposed extension of it to other States. It is argued that a family can not be supported on 160 acres of arid grazing land. This is obviously true, but neither can a family be supported on 640 acres of much of the land to which it is proposed to apply the grazing homestead. To establish universally any such arbitrary limit would be unwise at the present time. It would probably result on the one hand in enlarging the holdings of some of the great land owners, and on the other in needless suffering and failure on the part of a very considerable proportion of the bona fide settlers who give faith to the implied assurance of the Government that such an area is sufficient. The best use of the public grazing lands requires the careful examination and classification of these lands in order to give each settler land enough to support his family and no more. While this work is being done, and until the lands are settled, the Government should take control of the

open range, under reasonable regulations suited to local needs, following the general policy already in successful operation on the forest reserves. It is probable that the present grazing value of the open public range is scarcely more than half what it once was or what it might easily be again under careful regulation.

The forest policy of the Administration appears to enjoy the unbroken support of the people. The great users of timber are themselves forwarding the movement for forest preservation. All organized opposition to the forest preserves in the West has disappeared. Since the consolidation of all Government forest work in the National Forest Service there has been a rapid and notable gain in the usefulness of the forest reserves to the people and in public appreciation of their value. The National parks within or adjacent to forest reserves should be transferred to the charge of the Forest Service also.

The National Government already does something in connection with the construction and maintenance of the great system of levees along the lower course of the Mississippi; in my judgment it should do much more.

To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reinforce our battle line. It cannot but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Europe if they wish security and dispatch. Even on the Pacific, where our ships have held their own better than on the Atlantic, our merchant flag is now threatened through the liberal aid bestowed by other Governments on their own steam lines. I ask your earnest consideration of the report with which the Merchant Marine Commission has followed its long and careful inquiry.

I again heartily commend to your favorable consideration the tercentennial celebration at Jamestown, Va. Appreciating the desirability of this commemoration, the Congress passed an act, March 3, 1905, authorizing in the year 1907, on and near the waters of Hampton Roads, in the State of Virginia, an international naval, marine, and military celebration in honor of this event. By the authority vested in me by this act, I have made proclamation of said celebration, and have issued, in conformity with its instructions, invitations to all the nations of the earth to participate, by sending their naval vessels and such military organizations as may be practicable. This celebration would fail of its full purpose unless it were enduring in its results and commensurate with the importance of the event to be celebrated, the event from which our Nation dates its birth. I earnestly hope that this celebration, already indorsed by the Congress of the United States, and by the Legislatures of sixteen States since the action of the Congress, will receive such additional aid at your hands as will make it worthy of the great event it is intended to celebrate, and thereby enable the Government of the United States to

make provision for the exhibition of its own resources, and likewise enable our people who have undertaken the work of such a celebration to provide suitable and proper entertainment and instruction in the historic events of our country for all who may visit the exposition and to whom we have tendered our hospitality.

It is a matter of unmixed satisfaction once more to call attention to the excellent work of the Pension Bureau; for the veterans of the civil war have a greater claim upon us than any other class of our citizens. To them, first of all among our people, honor is due.

Seven years ago my lamented predecessor, President McKinley, stated that the time had come for the Nation to care for the graves of the Confederate dead. I recommend that the Congress take action toward this end. The first need is to take charge of the graves of the Confederate dead who died in Northern prisons.

The question of immigration is of vital interest to this country. In the year ending June 30, 1905, there came to the United States 1,026,000 alien immigrants. In other words, in the single year that has just elapsed there came to this country a greater number of people than came here during the one hundred and sixty-nine years of our Colonial life which intervened between the first landing at Jamestown and the Declaration of Independence. It is clearly shown in the report of the Commissioner General of Immigration that while much of this enormous immigration is undoubtedly healthy and natural, a considerable proportion is undesirable from one reason or another; moreover, a considerable proportion of it, probably a very large proportion, including most of the undesirable class, does not come here of its own initiative, but because of the activity of the agents of the great transportation companies. These agents are distributed throughout Europe, and by the offer of all kinds of inducements they wheedle and cajole many immigrants, often against their best interest, to come here. The most serious obstacle we have to encounter in the effort to secure a proper regulation of the immigration to these shores arises from the determined opposition of the foreign steamship lines who have no interest whatever in the matter save to increase the returns on their capital by carrying masses of immigrants hither in the steerage quarters of their ships.

As I said in my last message to the Congress, we cannot have too much immigration of the right sort and we should have none whatever of the wrong sort. Of course, it is desirable that even the right kind of immigration should be properly distributed in this country. We need more of such immigration for the South; and special effort should be made to secure it. Perhaps it would be possible to limit the number of immigrants allowed to come in any one year to New York and other Northern cities, while leaving unlimited the number allowed to come to the South; always provided, however, that a stricter effort is made to see that only immigrants of the right kind come to our country anywhere. In actual practice it has proved so difficult to enforce the migration laws where long stretches of frontier marked by an imaginary line alone intervene between us and our neighbors that I recommend that no immigrants be allowed to come in from Canada and Mexico save natives of the two countries themselves. As

much as possible should be done to distribute the immigrants upon the land and keep them away from the contested tenement-house districts of the great cities. But distribution is a palliative, not a cure. The prime need is to keep out all immigrants who will not make good American citizens. The laws now existing for the exclusion of undesirable immigrants should be strengthened. Adequate means should be adopted, enforced by sufficient penalties, to compel steamship companies engaged in the passenger business to observe in good faith the law which forbids them to encourage or solicit immigration to the United States. Moreover, there should be a sharp limitation imposed upon all vessels coming to our ports as to the number of immigrants in ratio to the tonnage which each vessel can carry. This ratio should be high enough to insure the coming hither of as good a class of aliens as possible. Provision should be made for the surer punishment of those who induce aliens to come to this country under promise or assurance of employment. It should be made possible to inflict a sufficiently heavy penalty on any employer violating this law to deter him from taking the risk. It seems to me wise that there should be an international conference held to deal with this question of immigration, which has more than a merely National significance; such a conference could, among other things, enter at length into the method for securing a thorough inspection of would-be immigrants at the ports from which they desire to embark before permitting them to embark.

In dealing with this question it is unwise to depart from the old American tradition and to discriminate for or against any man who desires to come here and become a citizen, save on the ground of that man's fitness for citizenship. It is our right and duty to consider his moral and social quality. His standard of living should be such that he will not, by pressure of competition, lower the standard of living of our own wage-workers; for it must ever be a prime object of our legislation to keep high their standard of living. If the man who seeks to come here is from the moral and social standpoint of such a character as to bid fair to add value to the community he should be heartily welcomed. We cannot afford to pay heed to whether he is of one creed or another, of one nation, or another. We cannot afford to consider whether he is Catholic or Protestant, Jew or Gentile; whether he is Englishman or Irishman, Frenchman or German, Japanese, Italian, Scandinavian, Slav, or Magyar. What we should desire to find out is the individual quality of the individual man. In my judgment, with this end in view, we shall have to prepare through our own agents a far more rigid inspection in the countries from which the immigrants come. It will be a great deal better to have fewer immigrants, but all of the right kind, than a great number of immigrants, many of whom are necessarily of the wrong kind. As far as possible we wish to limit the immigration to this country to persons who propose to become citizens of this country, and we can well afford to insist upon adequate scrutiny of the character of those who are thus proposed for future citizenship. There should be an increase in the stringency of the laws to keep out insane, idiotic, epileptic, and pauper immigrants. But this is by no means enough. Not merely the Anarchist, but every man of Anarchistic tendencies, all violent and disorderly people, all people of bad character, the incompetent, the lazy, the vicious, the physically unfit, defective, or degenerate should be kept out. The stocks out of which American citizenship is to be built

should be strong and healthy, sound in body, mind, and character. If it be objected that the Government agents would not always select well, the answer is that they would certainly select better than do the agents and brokers of foreign steamship companies, the people who now do whatever selection is done.

The questions arising in connection with Chinese immigration stand by themselves. The conditions in China are such that the entire Chinese coolie class, that is, the class of Chinese laborers, skilled and unskilled, legitimately come under the head of undesirable immigrants to this country, because of their numbers, the low wages for which they work, and their low standard of living. Not only is it to the interest of this country to keep them out, but the Chinese authorities do not desire that they should be admitted. At present their entrance is prohibited by laws amply adequate to accomplish this purpose. These laws have been, are being, and will be, thoroughly enforced. The violations of them are so few in number as to be infinitesimal and can be entirely disregarded. This is no serious proposal to alter the immigration law as regards the Chinese laborer, skilled or unskilled, and there is no excuse for any man feeling or affecting to feel the slightest alarm on the subject.

But in the effort to carry out the policy of excluding Chinese laborers, Chinese coolies, grave injustice and wrong have been done by this Nation to the people of China, and therefore ultimately to this Nation itself. Chinese students, business and professional men of all kinds--not only merchants, but bankers, doctors, manufacturers, professors, travelers, and the like--should be encouraged to come here, and treated on precisely the same footing that we treat students, business men, travelers, and the like of other nations. Our laws and treaties should be framed, not so as to put these people in the excepted classes, but to state that we will admit all Chinese, except Chinese of the coolie class, Chinese skilled or unskilled laborers. There would not be the least danger that any such provision would result in any relaxation of the law about laborers. These will, under all conditions, be kept out absolutely. But it will be more easy to see that both justice and courtesy are shown, as they ought to be shown, to other Chinese, if the law or treaty is framed as above suggested. Examinations should be completed at the port of departure from China. For this purpose there should be provided a more adequate Consular Service in China than we now have. The appropriations both for the offices of the Consuls and for the office forces in the consulates should be increased.

As a people we have talked much of the open door in China, and we expect, and quite rightly intend to insist upon, justice being shown us by the Chinese. But we cannot expect to receive equity unless we do equity. We cannot ask the Chinese to do to us what we are unwilling to do to them. They would have a perfect right to exclude our laboring men if our laboring men threatened to come into their country in such numbers as to jeopardize the well-being of the Chinese population; and as, *mutatis mutandis*, these were the conditions with which Chinese immigration actually brought this people face to face, we had and have a perfect right, which the Chinese Government in no way contests, to act as we have acted in the matter of restricting coolie immigration. That this right exists for each country was explicitly

acknowledged in the last treaty between the two countries. But we must treat the Chinese student, traveler, and business man in a spirit of the broadest justice and courtesy if we expect similar treatment to be accorded to our own people of similar rank who go to China. Much trouble has come during the past Summer from the organized boycott against American goods which has been started in China. The main factor in producing this boycott has been the resentment felt by the students and business people of China, by all the Chinese leaders, against the harshness of our law toward educated Chinamen of the professional and business classes.

This Government has the friendliest feeling for China and desires China's well-being. We cordially sympathize with the announced purpose of Japan to stand for the integrity of China. Such an attitude tends to the peace of the world.

The civil service law has been on the statute books for twenty-two years. Every President and a vast majority of heads of departments who have been in office during that period have favored a gradual extension of the merit system. The more thoroughly its principles have been understood, the greater has been the favor with which the law has been regarded by administration officers. Any attempt to carry on the great executive departments of the Government without this law would inevitably result in chaos. The Civil Service Commissioners are doing excellent work, and their compensation is inadequate considering the service they perform.

The statement that the examinations are not practical in character is based on a misapprehension of the practice of the Commission. The departments are invariably consulted as to the requirements desired and as to the character of questions that shall be asked. General invitations are frequently sent out to all heads of departments asking whether any changes in the scope or character of examinations are required. In other words, the departments prescribe the requirements and qualifications desired, and the Civil Service Commission co-operates with them in securing persons with these qualifications and insuring open and impartial competition. In a large number of examinations (as, for example, those for trades positions), there are no educational requirements whatever, and a person who can neither read nor write may pass with a high average. Vacancies in the service are filled with reasonable expedition, and the machinery of the Commission, which reaches every part of the country, is the best agency that has yet been devised for finding people with the most suitable qualifications for the various offices to be filled. Written competitive examinations do not make an ideal method for filling positions, but they do represent an immeasurable advance upon the "spoils" method, under which outside politicians really make the appointments nominally made by the executive officers, the appointees being chosen by the politicians in question, in the great majority of cases, for reasons totally unconnected with the needs of the service or of the public.

Statistics gathered by the Census Bureau show that the tenure of office in the Government service does not differ materially from that enjoyed by employes of large business corporations. Heads of executive departments and members of the Commission have called my attention to the fact that the rule requiring a filing of charges and three days' notice before an employe could be separated from the service for inefficiency has served no good purpose whatever, because that is not a matter upon which a hearing of the employe found to be inefficient can be of any value, and in practice the rule providing for such notice and hearing has merely resulted in keeping in a certain number of incompetents, because of the reluctance of the heads of departments and bureau chiefs to go through the required procedure. Experience has shown that this rule is wholly ineffective to save any man, if a superior for improper reasons wishes to remove him, and is mischievous because it sometimes serves to keep in the service incompetent men not guilty of specific wrongdoing. Having these facts in view the rule has been amended by providing that where the inefficiency or incapacity comes within the personal knowledge of the head of a department the removal may be made without notice, the reasons therefor being filed and made a record of the department. The absolute right of the removal rests where it always has rested, with the head of a department; any limitation of this absolute right results in grave injury to the public service. The change is merely one of procedure; it was much needed, and it is producing good results.

The civil service law is being energetically and impartially enforced, and in the large majority of cases complaints of violations of either the law or rules are discovered to be unfounded. In this respect this law compares very favorably with any other Federal statute. The question of politics in the appointment and retention of the men engaged in merely ministerial work has been practically eliminated in almost the entire field of Government employment covered by the civil service law. The action of the Congress in providing the commission with its own force instead of requiring it to rely on detailed clerks has been justified by the increased work done at a smaller cost to the Government. I urge upon the Congress a careful consideration of the recommendations contained in the annual report of the commission.

Our copyright laws urgently need revision. They are imperfect in definition, confused and inconsistent in expression; they omit provision for many articles which, under modern reproductive processes are entitled to protection; they impose hardships upon the copyright proprietor which are not essential to the fair protection of the public; they are difficult for the courts to interpret and impossible for the Copyright Office to administer with satisfaction to the public. Attempts to improve them by amendment have been frequent, no less than twelve acts for the purpose having been passed since the Revised Statutes. To perfect them by further amendment seems impracticable. A complete revision of them is essential. Such a revision, to meet modern conditions, has been found necessary in Germany, Austria, Sweden, and other foreign countries, and bills embodying it are pending in England and the Australian colonies. It has been urged here, and proposals for a commission to undertake it have, from time to time, been pressed upon the Congress. The inconveniences of the present conditions being so great, an attempt to frame appropriate legislation has been made by the Copyright

Office, which has called conferences of the various interests especially and practically concerned with the operation of the copyright laws. It has secured from them suggestions as to the changes necessary; it has added from its own experience and investigations, and it has drafted a bill which embodies such of these changes and additions as, after full discussion and expert criticism, appeared to be sound and safe. In form this bill would replace the existing insufficient and inconsistent laws by one general copyright statute. It will be presented to the Congress at the coming session. It deserves prompt consideration.

I recommend that a law be enacted to regulate inter-State commerce in misbranded and adulterated foods, drinks, and drugs. Such law would protect legitimate manufacture and commerce, and would tend to secure the health and welfare of the consuming public. Traffic in food-stuffs which have been debased or adulterated so as to injure health or to deceive purchasers should be forbidden.

The law forbidding the emission of dense black or gray smoke in the city of Washington has been sustained by the courts. Something has been accomplished under it, but much remains to be done if we would preserve the capital city from defacement by the smoke nuisance. Repeated prosecutions under the law have not had the desired effect. I recommend that it be made more stringent by increasing both the minimum and maximum fine; by providing for imprisonment in cases of repeated violation, and by affording the remedy of injunction against the continuation of the operation of plants which are persistent offenders. I recommend, also, an increase in the number of inspectors, whose duty it shall be to detect violations of the act.

I call your attention to the generous act of the State of California in conferring upon the United States Government the ownership of the Yosemite Valley and the Mariposa Big Tree Grove. There should be no delay in accepting the gift, and appropriations should be made for the including thereof in the Yosemite National Park, and for the care and policing of the park. California has acted most wisely, as well as with great magnanimity, in the matter. There are certain mighty natural features of our land which should be preserved in perpetuity for our children and our children's children. In my judgment, the Grand Canyon of the Colorado should be made into a National park. It is greatly to be wished that the State of New York should copy as regards Niagara what the State of California has done as regards the Yosemite. Nothing should be allowed to interfere with the preservation of Niagara Falls in all their beauty and majesty. If the State cannot see to this, then it is earnestly to be wished that she should be willing to turn it over to the National Government, which should in such case (if possible, in conjunction with the Canadian Government) assume the burden and responsibility of preserving unharmed Niagara Falls; just as it should gladly assume a similar burden and responsibility for the Yosemite National Park, and as it has already assumed them for the Yellowstone National Park. Adequate provision should be made by the Congress for the proper care and supervision of all these National parks. The boundaries of the Yellowstone National Park should be extended to the south and east, to take in such portions of the abutting forest reservations as will enable the Government to protect the elk on their Winter range.

The most characteristic animal of the Western plains was the great, shaggy-maned wild ox, the bison, commonly known as buffalo. Small fragments of herds exist in a domesticated state here and there, a few of them in the Yellowstone Park. Such a herd as that on the Flat-head Reservation should not be allowed to go out of existence. Either on some reservation or on some forest reserve like the Wichita reserve and game refuge provision should be made for the preservation of such a herd. I believe that the scheme would be of economic advantage, for the robe of the buffalo is of high market value, and the same is true of the robe of the crossbred animals.

I call your especial attention to the desirability of giving to the members of the Life Saving Service pensions such as are given to firemen and policemen in all our great cities. The men in the Life Saving Service continually and in the most matter of fact way do deeds such as make Americans proud of their country. They have no political influence, and they live in such remote places that the really heroic services they continually render receive the scantiest recognition from the public. It is unjust for a great nation like this to permit these men to become totally disabled or to meet death in the performance of their hazardous duty and yet to give them no sort of reward. If one of them serves thirty years of his life in such a position he should surely be entitled to retire on half pay, as a fireman or policeman does, and if he becomes totally incapacitated through accident or sickness, or loses his health in the discharge of his duty, he or his family should receive a pension just as any soldier should. I call your attention with especial earnestness to this matter because it appeals not only to our judgment but to our sympathy; for the people on whose behalf I ask it are comparatively few in number, render incalculable service of a particularly dangerous kind, and have no one to speak for them.

During the year just past, the phase of the Indian question which has been most sharply brought to public attention is the larger legal significance of the Indian's induction into citizenship. This has made itself manifest not only in a great access of litigation in which the citizen Indian figures as a party defendant and in a more widespread disposition to levy local taxation upon his personalty, but in a decision of the United States Supreme Court which struck away the main prop on which has hitherto rested the Government's benevolent effort to protect him against the evils of intemperance. The court holds, in effect, that when an Indian becomes, by virtue of an allotment of land to him, a citizen of the State in which his land is situated, he passes from under Federal control in such matters as this, and the acts of the Congress prohibiting the sale or gift to him of intoxicants become substantially inoperative. It is gratifying to note that the States and municipalities of the West which have most at stake in the welfare of the Indians are taking up this subject and are trying to supply, in a measure at least, the abdication of its trusteeship forced upon the Federal Government. Nevertheless, I would urgently press upon the attention of the Congress the question whether some amendment of the internal revenue laws might not be of aid in prosecuting those malefactors, known in the Indian country as "bootleggers," who are engaged at once in

defrauding the United States Treasury of taxes and, what is far more important, in debauching the Indians by carrying liquors illicitly into territory still completely under Federal jurisdiction.

Among the crying present needs of the Indians are more day schools situated in the midst of their settlements, more effective instruction in the industries pursued on their own farms, and a more liberal tension of the field-matron service, which means the education of the Indian women in the arts of home making. Until the mothers are well started in the right direction we cannot reasonably expect much from the children who are soon to form an integral part of our American citizenship. Moreover the excuse continually advanced by male adult Indians for refusing offers of remunerative employment at a distance from their homes is that they dare not leave their families too long out of their sight. One effectual remedy for this state of things is to employ the minds and strengthen the moral fibre of the Indian women--the end to which the work of the field matron is especially directed. I trust that the Congress will make its appropriations for Indian day schools and field matrons as generous as may consist with the other pressing demands upon its providence.

During the last year the Philippine Islands have been slowly recovering from the series of disasters which, since American occupation, have greatly reduced the amount of agricultural products below what was produced in Spanish times. The war, the rinderpest, the locusts, the drought, and the cholera have been united as causes to prevent a return of the prosperity much needed in the islands. The most serious is the destruction by the rinderpest of more than 75 per cent of the draught cattle, because it will take several years of breeding to restore the necessary number of these indispensable aids to agriculture. The commission attempted to supply by purchase from adjoining countries the needed cattle, but the experiments made were unsuccessful. Most of the cattle imported were unable to withstand the change of climate and the rigors of the voyage and died from other diseases than rinderpest.

The income of the Philippine Government has necessarily been reduced by reason of the business and agricultural depression in the islands, and the Government has been obliged to exercise great economy to cut down its expenses, to reduce salaries, and in every way to avoid a deficit. It has adopted an internal revenue law, imposing taxes on cigars, cigarettes, and distilled liquors, and abolishing the old Spanish industrial taxes. The law has not operated as smoothly as was hoped, and although its principle is undoubtedly correct, it may need amendments for the purpose of reconciling the people to its provisions. The income derived from it has partly made up for the reduction in customs revenue.

There has been a marked increase in the number of Filipinos employed in the civil service, and a corresponding decrease in the number of Americans. The Government in every one of its departments has been rendered more efficient by elimination of undesirable material and the promotion of deserving public servants.

Improvements of harbors, roads, and bridges continue, although the cutting down of the revenue forbids the expenditure of any great amount from current income for these purposes.

Steps are being taken, by advertisement for competitive bids, to secure the construction and maintenance of 1,000 miles of railway by private corporations under the recent enabling legislation of the Congress. The transfer of the friar lands, in accordance with the contract made some two years ago, has been completely effected, and the purchase money paid. Provision has just been made by statute for the speedy settlement in a special proceeding in the Supreme Court of controversies over the possession and title of church buildings and rectories arising between the Roman Catholic Church and schismatics claiming under ancient municipalities. Negotiations and hearings for the settlement of the amount due to the Roman Catholic Church for rent and occupation of churches and rectories by the army of the United States are in progress, and it is hoped a satisfactory conclusion may be submitted to the Congress before the end of the session.

Tranquillity has existed during the past year throughout the Archipelago, except in the Province of Cavite, the Province of Batangas and the Province of Samar, and in the Island of Jolo among the Moros. The Jolo disturbance was put an end to by several sharp and short engagements, and now peace prevails in the Moro Province, Cavite, the mother of ladrones in the Spanish times, is so permeated with the traditional sympathy of the people for ladronism as to make it difficult to stamp out the disease. Batangas was only disturbed by reason of the fugitive ladrones from Cavite, Samar was thrown into disturbance by the uneducated and partly savage peoples living in the mountains, who, having been given by the municipal code more power than they were able to exercise discreetly, elected municipal officers who abused their trusts, compelled the people raising hemp to sell it at a much less price than it was worth, and by their abuses drove their people into resistance to constituted authority. Cavite and Samar are instances of reposing too much confidence in the self-governing power of a people. The disturbances have all now been suppressed, and it is hoped that with these lessons local governments can be formed which will secure quiet and peace to the deserving inhabitants. The incident is another proof of the fact that if there has been any error as regards giving self-government in the Philippines it has been in the direction of giving it too quickly, not too slowly. A year from next April the first legislative assembly for the islands will be held. On the sanity and self-restraint of this body much will depend so far as the future self-government of the islands is concerned.

The most encouraging feature of the whole situation has been the very great interest taken by the common people in education and the great increase in the number of enrolled students in the public schools. The increase was from 300,000 to half a million pupils. The average attendance is about 70 per cent. The only limit upon the number of pupils seems to be the capacity of the government to furnish teachers and school houses.

The agricultural conditions of the islands enforce more strongly than ever the argument in favor of reducing the tariff on the products of the Philippine Islands entering the United States. I earnestly recommend that the tariff now imposed by the Dingley bill upon the products of the Philippine Islands be entirely removed, except the tariff on sugar and tobacco, and that

that tariff be reduced to 25 per cent of the present rates under the Dingley act; that after July 1, 1909, the tariff upon tobacco and sugar produced in the Philippine Islands be entirely removed, and that free trade between the islands and the United States in the products of each country then be provided for by law.

A statute in force, enacted April 15, 1904, suspends the operation of the coastwise laws of the United States upon the trade between the Philippine Islands and the United States until July 1, 1906. I earnestly recommend that this suspension be postponed until July 1, 1909. I think it of doubtful utility to apply the coastwise laws to the trade between the United States and the Philippines under any circumstances, because I am convinced that it will do no good whatever to American bottoms, and will only interfere and be an obstacle to the trade between the Philippines and the United States, but if the coastwise law must be thus applied, certainly it ought not to have effect until free trade is enjoyed between the people of the United States and the people of the Philippine Islands in their respective products.

I do not anticipate that free trade between the islands and the United States will produce a revolution in the sugar and tobacco production of the Philippine Islands. So primitive are the methods of agriculture in the Philippine Islands, so slow is capital in going to the islands, so many difficulties surround a large agricultural enterprise in the islands, that it will be many, many years before the products of those islands will have any effect whatever upon the markets of the United States. The problem of labor is also a formidable one with the sugar and tobacco producers in the islands. The best friends of the Filipino people and the people themselves are utterly opposed to the admission of Chinese coolie labor. Hence the only solution is the training of Filipino labor, and this will take a long time. The enactment of a law by the Congress of the United States making provision for free trade between the islands and the United States, however, will be of great importance from a political and sentimental standpoint; and, while its actual benefit has doubtless been exaggerated by the people of the islands, they will accept this measure of justice as an indication that the people of the United States are anxious to aid the people of the Philippine Islands in every way, and especially in the agricultural development of their archipelago. It will aid the Filipinos without injuring interests in America.

In my judgment immediate steps should be taken for the fortification of Hawaii. This is the most important point in the Pacific to fortify in order to conserve the interests of this country. It would be hard to overstate the importance of this need. Hawaii is too heavily taxed. Laws should be enacted setting aside for a period of, say, twenty years 75 per cent of the internal revenue and customs receipts from Hawaii as a special fund to be expended in the islands for educational and public buildings, and for harbor improvements and military and naval defenses. It cannot be too often repeated that our aim must be to develop the territory of Hawaii on traditional American lines. That territory has serious commercial and industrial problems to reckon with; but no measure of relief can be considered which looks to legislation admitting Chinese and restricting them by statute to field labor and domestic service. The

status of servility can never again be tolerated on American soil. We cannot concede that the proper solution of its problems is special legislation admitting to Hawaii a class of laborers denied admission to the other States and Territories. There are obstacles, and great obstacles, in the way of building up a representative American community in the Hawaiian Islands; but it is not in the American character to give up in the face of difficulty. Many an American Commonwealth has been built up against odds equal to those that now confront Hawaii.

No merely half-hearted effort to meet its problems as other American communities have met theirs can be accepted as final. Hawaii shall never become a territory in which a governing class of rich planters exists by means of coolie labor. Even if the rate of growth of the Territory is thereby rendered slower, the growth must only take place by the admission of immigrants fit in the end to assume the duties and burdens of full American citizenship. Our aim must be to develop the Territory on the same basis of stable citizenship as exists on this continent.

I earnestly advocate the adoption of legislation which will explicitly confer American citizenship on all citizens of Porto Rico. There is, in my judgment, no excuse for failure to do this. The harbor of San Juan should be dredged and improved. The expenses of the Federal Court of Porto Rico should be met from the Federal Treasury and not from the Porto Rican treasury. The elections in Porto Rico should take place every four years, and the Legislature should meet in session every two years. The present form of government in Porto Rico, which provides for the appointment by the President of the members of the Executive Council or upper house of the Legislature, has proved satisfactory and has inspired confidence in property owners and investors. I do not deem it advisable at the present time to change this form in any material feature. The problems and needs of the island are industrial and commercial rather than political.

I wish to call the attention of the Congress to one question which affects our insular possessions generally; namely, the need of an increased liberality in the treatment of the whole franchise question in these islands. In the proper desire to prevent the islands being exploited by speculators and to have them develop in the interests of their own people an error has been made in refusing to grant sufficiently liberal terms to induce the investment of American capital in the Philippines and in Porto Rico. Elsewhere in this message I have spoken strongly against the jealousy of mere wealth, and especially of corporate wealth as such. But it is particularly regrettable to allow any such jealousy to be developed when we are dealing either with our insular or with foreign affairs. The big corporation has achieved its present position in the business world simply because it is the most effective instrument in business competition. In foreign affairs we cannot afford to put our people at a disadvantage with their competitors by in any way discriminating against the efficiency of our business organizations. In the same way we cannot afford to allow our insular possessions to lag behind in industrial development from any twisted jealousy of business success. It is, of course, a mere truism to say that the business interests of the islands will only be developed if it becomes the financial interest of somebody to develop them. Yet this development is one of the things most

earnestly to be wished for in the interest of the islands themselves. We have been paying all possible heed to the political and educational interests of the islands, but, important though these objects are, it is not less important that we should favor their industrial development. The Government can in certain ways help this directly, as by building good roads; but the fundamental and vital help must be given through the development of the industries of the islands, and a most efficient means to this end is to encourage big American corporations to start industries in them, and this means to make it advantageous for them to do so. To limit the ownership of mining claims, as has been done in the Philippines, is absurd. In both the Philippines and Porto Rico the limit of holdings of land should be largely raised.

I earnestly ask that Alaska be given an elective delegate. Some person should be chosen who can speak with authority of the needs of the Territory. The Government should aid in the construction of a railroad from the Gulf of Alaska to the Yukon River, in American territory. In my last two messages I advocated certain additional action on behalf of Alaska. I shall not now repeat those recommendations, but I shall lay all my stress upon the one recommendation of giving to Alaska some one authorized to speak for it. I should prefer that the delegate was made elective, but if this is not deemed wise, then make him appointive. At any rate, give Alaska some person whose business it shall be to speak with authority on her behalf to the Congress. The natural resources of Alaska are great. Some of the chief needs of the peculiarly energetic, self-reliant, and typically American white population of Alaska were set forth in my last message. I also earnestly ask your attention to the needs of the Alaskan Indians. All Indians who are competent should receive the full rights of American citizenship. It is, for instance, a gross and indefensible wrong to deny to such hard-working, decent-living Indians as the Metlakahtlas the right to obtain licenses as captains, pilots, and engineers; the right to enter mining claims, and to profit by the homestead law. These particular Indians are civilized and are competent and entitled to be put on the same basis with the white men round about them.

I recommend that Indian Territory and Oklahoma be admitted as one State and that New Mexico and Arizona be admitted as one State. There is no obligation upon us to treat territorial subdivisions, which are matters of convenience only, as binding us on the question of admission to Statehood. Nothing has taken up more time in the Congress during the past few years than the question as to the Statehood to be granted to the four Territories above mentioned, and after careful consideration of all that has been developed in the discussions of the question, I recommend that they be immediately admitted as two States. There is no justification for further delay; and the advisability of making the four Territories into two States has been clearly established.

In some of the Territories the legislative assemblies issue licenses for gambling. The Congress should by law forbid this practice, the harmful results of which are obvious at a glance.

The treaty between the United States and the Republic of Panama, under which the construction of the Panama Canal was made possible, went into effect with its ratification by the United States Senate on February 23, 1904. The canal properties of the French Canal Company were transferred to the United States on April 23, 1904, on payment of \$40,000,000 to that company. On April 1, 1905, the Commission was reorganized, and it now consists of Theodore P. Shonts, Chairman; Charles E. Magoon, Benjamin M. Harrod, Rear Admiral Mordecai T. Endicott, Brig. Gen. Peter C. Hains, and Col. Oswald H. Ernst. John F. Stevens was appointed Chief Engineer on July 1 last. Active work in canal construction, mainly preparatory, has been in progress for less than a year and a half. During that period two points about the canal have ceased to be open to debate: First, the question of route; the canal will be built on the Isthmus of Panama. Second, the question of feasibility; there are no physical obstacles on this route that American engineering skill will not be able to overcome without serious difficulty, or that will prevent the completion of the canal within a reasonable time and at a reasonable cost. This is virtually the unanimous testimony of the engineers who have investigated the matter for the Government.

The point which remains unsettled is the question of type, whether the canal shall be one of several locks above sea level, or at sea level with a single tide lock. On this point I hope to lay before the Congress at an early day the findings of the Advisory Board of American and European Engineers, that at my invitation have been considering the subject, together with the report of the Commission thereon, and such comments thereon or recommendations in reference thereto as may seem necessary.

The American people is pledged to the speediest possible construction of a canal adequate to meet the demands which the commerce of the world will make upon it, and I appeal most earnestly to the Congress to aid in the fulfillment of the pledge. Gratifying progress has been made during the past year, and especially during the past four months. The greater part of the necessary preliminary work has been done. Actual work of excavation could be begun only on a limited scale till the Canal Zone was made a healthful place to live in and to work in. The Isthmus had to be sanitized first. This task has been so thoroughly accomplished that yellow fever has been virtually extirpated from the Isthmus and general health conditions vastly improved. The same methods which converted the island of Cuba from a pest hole, which menaced the health of the world, into a healthful place of abode, have been applied on the Isthmus with satisfactory results. There is no reason to doubt that when the plans for water supply, paving, and sewerage of Panama and Colon and the large labor camps have been fully carried out, the Isthmus will be, for the tropics, an unusually healthy place of abode. The work is so far advanced now that the health of all those employed in canal work is as well guarded as it is on similar work in this country and elsewhere.

In addition to sanitating the Isthmus, satisfactory quarters are being provided for employes and an adequate system of supplying them with wholesome food at reasonable prices has been created. Hospitals have been established and equipped that are without their superiors

of their kind anywhere. The country has thus been made fit to work in, and provision has been made for the welfare and comfort of those who are to do the work. During the past year a large portion of the plant with which the work is to be done has been ordered. It is confidently believed that by the middle of the approaching year a sufficient proportion of this plant will have been installed to enable us to resume the work of excavation on a large scale.

What is needed now and without delay is an appropriation by the Congress to meet the current and accruing expenses of the commission. The first appropriation of \$10,000,000, out of the \$135,000,000 authorized by the Spooner act, was made three years ago. It is nearly exhausted. There is barely enough of it remaining to carry the commission to the end of the year. Unless the Congress shall appropriate before that time all work must cease. To arrest progress for any length of time now, when matters are advancing so satisfactorily, would be deplorable. There will be no money with which to meet pay roll obligations and none with which to meet bills coming due for materials and supplies; and there will be demoralization of the forces, here and on the Isthmus, now working so harmoniously and effectively, if there is delay in granting an emergency appropriation. Estimates of the amount necessary will be found in the accompanying reports of the Secretary of War and the commission.

I recommend more adequate provision than has been made heretofore for the work of the Department of State. Within a few years there has been a very great increase in the amount and importance of the work to be done by that department, both in Washington and abroad. This has been caused by the great increase of our foreign trade, the increase of wealth among our people, which enables them to travel more generally than heretofore, the increase of American capital which is seeking investment in foreign countries, and the growth of our power and weight in the councils of the civilized world. There has been no corresponding increase of facilities for doing the work afforded to the department having charge of our foreign relations.

Neither at home nor abroad is there a sufficient working force to do the business properly. In many respects the system which was adequate to the work of twenty-five years or even ten years ago, is inadequate now, and should be changed. Our Consular force should be classified, and appointments should be made to the several classes, with authority to the Executive to assign the members of each class to duty at such posts as the interests of the service require, instead of the appointments being made as at present to specified posts. There should be an adequate inspection service, so that the department may be able to inform itself how the business of each Consulate is being done, instead of depending upon casual private information or rumor. The fee system should be entirely abolished, and a due equivalent made in salary to the officers who now eke out their subsistence by means of fees. Sufficient provision should be made for a clerical force in every Consulate composed entirely of Americans, instead of the insufficient provision now made, which compels the employment of great numbers of citizens of foreign countries whose services can be obtained for less money. At a large part of our Consulates the office quarters and the clerical force are inadequate to

the performance of the onerous duties imposed by the recent provisions of our immigration laws as well as by our increasing trade. In many parts of the world the lack of suitable quarters for our embassies, legations, and Consulates detracts from the respect in which our officers ought to be held, and seriously impairs their weight and influence.

Suitable provision should be made for the expense of keeping our diplomatic officers more fully informed of what is being done from day to day in the progress of our diplomatic affairs with other countries. The lack of such information, caused by insufficient appropriations available for cable tolls and for clerical and messenger service, frequently puts our officers at a great disadvantage and detracts from their usefulness. The salary list should be readjusted. It does not now correspond either to the importance of the service to be rendered and the degrees of ability and experience required in the different positions, or to the differences in the cost of living. In many cases the salaries are quite inadequate.