PRESIDENT TO CONGRESS

Message Read to Both Houses of National Assembly

LEGISLATION CALLED FOR

Financial Standing of the Nation Declared Excellent—Control of Corporations, the President Thinks, Should Be Left to the National Government—Labor Leaders Come in for Criticism—Respect for Law Vital to the Well-Being of Country.

Washington.—The message of President Roosevelt was read in both houses of congress Tuesday. In substance the document was as follows:

To the Senate and House of Representatives: The financial standing of the nation at the present time is excellent, and the financial management of the nation's interests by the government during the last seven years has shown the most satisfactory results. But our currency system is imperfect, and it is earnestly to be hoped that the currency commission will be able to propose a thoroughly good system which will do away with the existing defects.

During the period from July 1, 1901, to September 30, 1908, there was an increase in the amount of money in circulation of $902,991,399. The increase in the per capita during this period was $7.06. Within this time there were several occasions when it was necessary for the treasury department to come to the relief of the money market by purchases or redemptions of United States bonds; by increasing deposits in national banks; by stimulating additional issues of national bank notes, and by facilitating importations from abroad of gold. Our imperfect currency system has made these proceedings necessary, and they were effective until the monetary disturbance in the fall of 1907 immensely increased the difficulty of ordinary methods of relief. By the middle of November the available working balance in the treasury had been reduced to approximately $5,000,000. Clearing house associations throughout the country had been obliged to resort to the expedient of issuing clearing house certificates, to be used as money. In this emergency it was determined to invite subscriptions for $50,000,000 Panama canal bonds, and $100,000,000 three per cent. certificates of indebtedness authorized by the act of June 13, 1898. It was proposed to redeposit in the national banks the proceeds of these issues, and to permit their use as a basis for additional circulating notes of national banks. The moral effect of this procedure was so great that it was necessary to issue only $24,631,980 of the Panama bonds and $15,436,500 of the certificates of indebtedness.

During the period from July 1, 1901, to September 30, 1908, the balance between the net ordinary receipts and the net ordinary expenses of the government showed a surplus in the four years 1902, 1903, 1906, and 1907, and a deficit in the years 1904, 1905, 1908 and a fractional part of the fiscal year 1909. The net result was a surplus of $99,283,413.54. The financial operations of the government during this period, based upon these differences between receipts and expenditures, resulted in a net reduction of the interest-bearing debt of the United States from $987,141,040 to $897,253,990, notwithstanding that there had been two sales of Panama canal bonds amounting in the aggregate to $54,631,980, and an issue of three per cent. certificates of indebtedness under the act of June 13, 1898, amounting to $15,436,500. Refunding operations of the treasury department under the act of March 14, 1900, resulted in the conversion into two per cent. consols of 1930 of $200,309,400 bonds bearing higher rates of interest. A decrease of $8,687,956 in the annual interest charge resulted from these operations.

In short, during the seven years and three months there has been a net surplus of nearly one hundred millions of receipts over expenditures, a reduction of the interest-bearing debt by ninety millions, in spite of the extraordinary expense of the Panama canal, and a saving of nearly nine millions on the annual interest charge.

Control of Corporations.

As regards the great corporations engaged in interstate business, and especially the railroads, I can only repeat what I have already again and again said in my messages to the congress. I believe that under the interstate clause of the constitution the United States has complete and paramount right to control all agencies of interstate commerce, and I believe that the national government alone can exercise this right with wisdom and effectiveness so as both to secure justice from, and to do justice to, the great corporations which are the most important factors in modern business. I believe that it is worse than folly to attempt to prohibit all combinations as is done by the Sherman anti-trust law, because such a law can be enforced only imperfectly and unequally, and its enforcement works almost as much hardship as good. I strongly advocate that instead of an unwise effort to prohibit all combinations, there shall be substituted a law which shall expressly permit combinations which are in the interest of the public, but shall at the same time give to some agency in the national government full power of control and supervision over them. One of the chief features of this control should be securing entire publicity in all matters which the public has a right to know, and furthermore, the power, not by judicial but by executive action, to prevent or put a stop to every form of improper favoritism or other wrongdoing.

The railways of the country should be put completely under the interstate commerce commission and removed from the domain of the anti-trust law. The power of the commission should be made thoroughgoing, so that it could exercise complete supervision and control over the issue of securities as well as over the raising and lowering of rates. As regards rates, at least, this power should be summary. . . . Rates must be made as low as is compatible with giving proper returns to all the employes of the railroad, from the highest to the lowest, and proper returns to the shareholders, but they must not, for instance, be reduced in such fashion as to necessitate a cut in the wages of the employes or the abolition of the proper and legitimate profits of honest shareholders.

Telegraph and telephone companies engaged in interstate business should be put under the jurisdiction of the interstate commerce commission.

It is very earnestly to be wished that our people, through their representatives, should act in this matter. It is to the interest of all of us that there should be a premium put upon individual initiative and individual capacity, and an ample reward for the great directing intelligences alone competent to manage the great business operations of to-day. It is well to keep in mind that exactly as the anarchist is the worst enemy of liberty and the reactionary the worst enemy of order, so the men who defend the rights of property have most to fear from the wrongdoers of great wealth, and the men who are championing popular rights have most to fear from the demagogues who in the name of popular rights would do wrong to and oppress honest business men, honest men of wealth; for the success of either type of wrongdoer necessarily invites a violent reaction against the cause the wrongdoer nominally upholds.

Need of Centralization.

The proposal to make the national government supreme over, and therefore to give it complete control over, the railroads and other instruments of interstate commerce is merely a proposal to carry out to the letter one of the prime purposes, if not the prime purpose, for which the constitution was founded. It does not represent centralization. It represents merely the acknowledgment of the patent fact that centralization has already come in business. If this irresponsible outside business power is to be controlled in the interest of the general public it can only be controlled in one way; by giving adequate power of control to the one sovereignty capable of exercising such power—the national government. To abandon the effort for national control means to abandon the effort for all adequate control and yet to render likely continual bursts of action by state legislatures, which cannot achieve the purpose sought for, but which can do a great deal of damage to the corporation without conferring any real benefit on the public.

There should be regulation by the national government of the great interstate corporations, including a simple method of account keeping, publicity, supervision of the issue of securities, abolition of rebates and of special privileges. There should be short-time franchises for all corporations engaged in public business; including the corporations which get power from water rights. There should be national as well as state guardianship of mines and forests. The labor legislation hereinafter referred to should concurrently be enacted into law.

To accomplish this, means a certain increase in the use of—not the creation of—power, by the central government. The power already exists; it does not have to be created; the only question is whether it shall be used or left idle—and meanwhile the corporations over which the power ought to be exercised will not remain idle. The danger to American democracy lies not in the least in the concentration of administrative power in responsible and accountable hands. It lies in having the power insufficiently concentrated, so that no one can be held responsible to the people for its use. Concentrated power is palpable, visible, responsible, easily reached, quickly held to account. Democracy is in peril wherever the administration of political power is scattered among a variety of men who work in secret, whose very names are unknown to the common people. It is not in peril from any man who derives authority from the people, who exercises it in sight of the people, and who is from time to time compelled to give an account of its exercise to the people.

Legislation for Wageworker.

There are many matters affecting labor and the status of the wageworker to which I should like to draw your attention, but an exhaustive discussion of the problem in all its aspects is not now necessary. I believe in a steady effort, or perhaps it would be more accurate to say in steady efforts in many different directions, to bring about a condition of affairs under which the men who work with hand or with brain, the laborers, the superintendents, the men who produce the market and the men who find a market for the articles produced, shall own a far greater share than at present of the wealth they produce, and be enabled to invest it in the tools and instruments by which all work is carried on. As far as possible I hope to see a frank recognition of the advantages conferred by machinery, organization and division of labor, accompanied by an effort to bring about a larger share in the ownership by wage-worker of railway, mill and factory.

Postal Savings banks will make it easy for the poorest to keep their savings in absolute safety. The regulation of the national highways must be such that they shall serve all people with equal justice. Corporate finances must be supervised so as to make it far safer than at present for the man of small means to invest his money in stocks. There must be prohibition of child labor, diminution of women labor, shortening of hours of all mechanical labor; stock watering should be prohibited, and stock gambling so far as is possible discouraged. There should be a progressive inheritance tax on large fortunes. Industrial education should be encouraged. As far as possible we should lighten the burden of taxation on the small man. We should put a premium upon thrift, hard work, and business energy; but these qualities cease to be the main factors in accumulating a fortune long before that fortune reaches a point where it would be seriously affected by any inheritance tax such as I propose. It is eminently right that the nation should fix the terms upon which the great fortunes are inherited. They rarely do good and they often do harm to those who inherit them in their entirety.

There should no longer be any paltering with the question of taking care of the wageworkers who, under our present industrial system, become killed, crippled, or worn out as part of the regular incidents of a given business. As far as concerns those who have been worn out, I call your attention to the fact that definite steps toward providing old-age pensions have been taken in many of our private industries. These may be indefinitely extended through voluntary association and contributory schemes, or through the agency of savings banks, as under the Massachusetts plan.

Urgent Need of Reform.

Our present system, or rather no system, works dreadful wrong, and is of benefit to only one class of people—the lawyers. When a workman is injured what he needs is not an expensive and doubtful lawsuit, but the certainty of relief through immediate administrative action. No academic theory about "freedom of contract" or "constitutional liberty to contract" should be permitted to interfere with this and similar movements.

Pending a thoroughgoing investigation and action there is certain legislation which should be enacted at once. The law, passed at the last session of the congress granting compensation to certain classes of employes of the government should be extended to include all employes of the government and should be made more liberal in its terms. There is no good ground for the distinction made in the law between those engaged in hazardous occupations and those not so engaged. The terms of the act providing compensation should be made more liberal than in the present act. A year's compensation is not adequate for a wage-earner's family in the event of his death by accident in the course of his employment. And in the event of death occurring, say, ten or eleven months after the accident, the family would only receive as compensation the equivalent of one or two months' earnings. In this respect the generosity of the United States towards its employes compares most unfavorably with that of every country in Europe—even the poorest.

I renew my recommendation made in a previous message that half-holidays be granted during summer to all wage-workers in government employ.

I also renew my recommendation that the principle of the eight-hour day should as rapidly and as far as practicable be extended to the entire work being carried on by the government; the present law should be amended to embrace contracts on those public works which the present wording of the act seems to exclude.

Would Double Salaries of Judges.

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

It is earnestly to be desired that some method should be devised for doing away with the long delays which now obtain in the administration of justice, and which operate with peculiar severity against persons of small means, and favor only the very criminals whom it is most desirable to punish. These long delays in the final decisions of cases make in the aggregate a crying evil; and a remedy should be devised. Much of this intolerable delay is due to improper regard paid to technicalities which are a mere hinderance to justice. In some noted recent cases this over-regard for technicalities has resulted in a striking denial of justice, and flagrant wrong to the body politic.

Labor Leaders Criticised.

At the last election certain leaders of organized labor made a violent and sweeping attack upon the entire judiciary of the country, an attack couched in such terms as to include the most upright, honest and broad-minded judges, no less than those of narrower mind and more restricted outlook. Last year, before the house committee on judiciary, these same labor leaders formulated their demands, specifying the bill that contained them, refusing all compromise, stating they wished the principle of that bill or nothing. They insisted on a provision that in a labor dispute no injunction should issue except to protect a property right, and specifically provided that the right to carry on business should not be construed as a property right, and in a second provision their bill made legal in a labor dispute any act or agreement by or between two or more persons that would not have been unlawful if done by a single person. In other words, this bill legalized blacklisting and boycotting in every form, legalizing, for instance, those forms of the secondary boycott which the anthracite coal strike commission so unreservedly condemned; while the right to carry on a business was explicitly taken out from under that protection which the law throws over property. The demand was made that there should be trial by jury in contempt cases, thereby most seriously impairing the authority of the courts. All this represented a course of policy which, if carried out, would mean the enthronement of class privilege in its crudest and most brutal form, and the destruction of one of the most essential functions of the judiciary in all civilized lands.

The violence of the crusade for this legislation, and its complete failure, illustrate two truths which it is essential our people should learn. In the first place, they ought to teach the workingman, the laborer, the wageworker, that by demanding what is improper and impossible he plays into the hands of his foes. Such a crude and vicious attack upon the courts, even if it were temporarily successful, would inevitably in the end cause a violent reaction and would band the great mass of citizens together, forcing them to stand by all the judges, competent and incompetent alike, rather than to see the wheels of justice stopped.

The wageworkers, the workingmen, the laboring men of the country by the way in which they repudiated the effort to get them to cast their votes in response to an appeal to class hatred, have emphasized their sound patriotism and Americanism. Such an attitude is an object lesson in good citizenship to the entire nation.

Judicial System Sound.

Our judicial system is sound and effective at core, and it remains, and must ever be maintained, as the safeguard of those principles of liberty and justice which stand at the foundation of American institutions; for, as Burke finely said, when liberty and justice are separated, neither is safe. There are, however, some members of the judicial body who have lagged behind in their understanding of these great and vital changes in the body politic, whose minds have never been opened to the new applications of the old principles made necessary by the new conditions. Judges of this stamp do lasting harm by their decisions, because they convince poor men in need of protection that the courts of the land are profoundly ignorant of and out of sympathy with their needs, and profoundly ignorant or hostile to any proposed remedy. To such men it seems a cruel mockery to have any court decide against them on the ground that it desires to preserve "liberty" in a purely technical form, by withholding liberty in any real and constructive sense.

There are certain decisions by various courts which have been exceedingly detrimental to the rights of wage-workers. This is true of all decisions that decide that men are, by the constitution, "guaranteed their liberty" to contract to enter a dangerous occupation, or to work an undesirable or improper number of hours, or to work in unhealthy surroundings; and therefore cannot recover damages when maimed in that occupation, and cannot be forbidden to work what the legislature decides is an excessive number of hours, or to carry on the work under conditions which the legislature decides to be unhealthy. Decisions such as those nullify the legislative effort to protect the wage-workers who most need protection from those employers who take advantage of their grinding need. They halt or hamper the movement for securing better and more equitable conditions of labor.

There is also, I think, ground for the belief that substantial injustice is often suffered by employes in consequence of the custom of courts issuing temporary injunctions without notice to them, and punishing them for contempt of court in instances where, as a matter of fact, they have no knowledge of any proceedings. Organized labor is chafing under the unjust restraint which comes from repeated resort to this plan of procedure. Its discontent has been unwisely expressed, and often improperly expressed, but there is a sound basis for it, and the orderly and law-abiding people of a community would be in a far stronger position for upholding the courts if the undoubtedly existing abuses could be provided against.

Injunction Must Remain.

The power of injunction is a great equitable remedy, which should on no account be destroyed. But safeguards should be erected against its abuse. In substance, provision should be made that no injunction or temporary restraining order issue otherwise than on notice, except where irreparable injury would otherwise result; and in such case a hearing on the merits of the order should be had within a short fixed period, and, if not then continued after hearing, it should forthwith lapse. Decisions should be rendered immediately, and the chance of delay minimized in every way. Moreover, I believe that the procedure should be sharply defined, and the judge required minutely to state the particulars both of his action and of his reasons therefor, so that the congress can if it desires examine and investigate the same.

For many of the shortcomings of justice in our country our people as a whole are themselves to blame, and the judges and juries merely bear their share together with the public as a whole. It is discreditable to us as a people that there should be difficulty in convicting murderers, or in bringing to justice men who as public servants have been guilty of corruption, or who have profited by the corruption of public servants. The result is equally unfortunate, whether due to hairsplitting technicalities in the interpretation of law by judges, to sentimentality and class consciousness on the part of juries, or to hysteria and sensationalism in the daily press. For much of this failure of justice no responsibility whatever lies on rich men as such. We who make up the mass of the people cannot shift the responsibility from our own shoulders. But there is an important part of the failure which has specially to do with inability to hold to proper account men of wealth who behave badly.

The Modern Corporation.

The huge wealth that has been accumulated by a few individuals of recent years, in what has amounted to a social and industrial revolution, has been as regards some of these individuals made possible only by the improper use of the modern corporation. A certain type of modern corporation, with its officers and agents, its many issues of securities, and its constant consolidation with allied undertakings, finally becomes an instrument so complex as to contain a greater number of elements that, under various judicial decisions, lend themselves to fraud and oppression than any device yet evolved in the human brain. Corporations are necessary instruments of modern business. They have been permitted to become a menace largely because the governmental representatives of the people have worked slowly in providing for adequate control over them.

Our great clusters of corporations, huge trusts and fabulously wealthy multimillionaires, employ the very best lawyers they can obtain to pick flaws in statutes after their passage; but they also employ a class of secret agents who seek, under the advice of experts, to render hostile legislation innocuous by making it unconstitutional, often through the insertion of what appear on their face to be drastic and sweeping provisions against the interests of the parties inspiring them; while the demagogues, the corrupt creatures who introduce blackmailing schemes to "strike" corporations, and all who demand extreme, and undesirably radical, measures, show themselves to be the worst enemies of the very public whose loud-mouthed champions they profess to be.

Real damage has been done by the manifold and conflicting interpretations of the interstate commerce law. Control over the great corporations doing interstate business can be effective only if it is vested with full power in an administrative department, a branch of the federal executive, carrying out a federal law; it can never be effective if a divided responsibility is left in both the states and the nation; it can never be effective if left in the hands of the courts to be decided by lawsuits.

Respect for Law Must Be Upheld.

The courts hold a place of peculiar and deserved sanctity under our form of government. Respect for the law is essential to the permanence of our institutions, and respect for the law is largely conditioned upon respect for the courts. It is an offense against the republic to say anything which can weaken this respect, save for the gravest reason and in the most carefully guarded manner. In no other nation in the world do the courts wield such vast and far-reaching power as in the United States. All that is necessary is that the courts as a whole should exercise this power with the far-sighted wisdom already shown by those judges who scan the future while they act in the present. Let them exercise this great power not only honestly and bravely, but with wise insight into the needs and fixed purposes of the people, so that they may do justice, and work equity, so that they may protect all persons in their rights, and yet break down the barriers of privilege, which is the foe of right.

Forest Preservation.

If there is any one duty which more than another we owe it to our children to perform at once, it is to save the forests of this country, for they constitute the first and most important element in the conservation of the natural resources of the country. . . . Just as a farmer, after all his life making his living from his farm, will, if he is an expert farmer, leave it as an asset of increased value to his son, so we should leave our national domain to our children, increased in value and not worn out. There are small sections of our own country, in the east and in the west, in the Adirondacks, the White mountains and the Appalachians, and in the Rocky mountains, where we can already see for ourselves the damage in the shape of permanent injury to the soil and the river systems which comes from reckless deforestation. It matters not whether this deforestation is due to the actual reckless cutting of timber, to the fires that inevitably follow such reckless cutting of timber, or to reckless and uncontrolled grazing, especially by the great migratory bands of sheep, the unchecked wandering of which over the country means destruction to forests and disaster to the small home-makers, the settlers of limited means.

Thanks to our own recklessness in the use of our splendid forests, we have already crossed the verge of a timber famine in this country, and no measures that we now take can, at least for many years, undo the mischief that has already been done. But we can prevent further mischief being done; and it would be in the highest degree reprehensible to let any consideration of temporary convenience or temporary cost interfere with such action, especially as regards the national forests which the nation can now, at this very moment, control.

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

Plea for Inland Waterways.

Action should be begun forthwith, during the present session of the congress, for the improvement of our inland waterways—action which will result in giving us not only navigable but navigated rivers.

Until the work of river improvement is undertaken in a modern way it can not have results that will meet the needs of this modern nation. The plan which promises the best and quickest results is that of a permanent commission authorized to co-ordinate the work of all the government departments relating to waterways, and to frame and supervise the execution of a comprehensive plan. Under such a commission the actual work of construction might be entrusted to the reclamation service; or to the military engineers acting with a sufficient number of civilians to continue the work in time of war; or it might be divided between the reclamation service and the corps of engineers. Funds should be provided from current revenues if it is deemed wise—otherwise from the sale of bonds. The essential thing is that the work should go forward under the best possible plan, and with the least possible delay. The time for playing with our waterways is past. The country demands results.

The president urges that national parks adjacent to national forests be placed under the control of the forest service of the agricultural department; he also points out the benefits derived from pure food legislation.

The message continues:

Needs of the Secret Service.

Last year an amendment was incorporated in the measure providing for the secret service, which provided that there should be no detail from the secret service and no transfer therefrom. The amendment in question was of benefit to no one excepting to criminals, and it seriously hampers the government in the detection of crime and the securing of justice. The chief argument in favor of the provision was that the congressmen did not themselves wish to be investigated by the secret service men. Very little of such investigation has been done in the past; but it is true that the work of the secret service agents was partly responsible for the indictment and conviction of a senator and a congressman for land frauds in Oregon. I do not believe that it is in the public interest to protect criminals in any branch of the public service, and exactly as we have again and again during the past seven years prosecuted and convicted such criminals who were in the executive branch of the government, so in my belief we should be given ample means to prosecute them if found in the legislative branch. But if this is not considered desirable a special exception could be made in the law prohibiting the use of the secret service force in investigating members of the congress.

Postal Savings Banks.

I again renew my recommendation for postal savings banks, for depositing savings with the security of the government behind them. The object is to encourage thrift and economy in the wage-earner and person of moderate means. It is believed that in the aggregate vast sums of money would be brought into circulation through the instrumentality of the postal savings banks.

Parcel Post.

In my last annual message I commended the postmaster-general's recommendation for an extension of the parcel post on the rural routes. The establishment of a local parcel post on rural routes would be to the mutual benefit of the farmer and the country storekeeper, and it is desirable that the routes, serving more than 15,000,000 people, should be utilized to the fullest practicable extent.

Education.

With the limited means hitherto provided, the bureau of education has rendered efficient service, but the congress has neglected to adequately supply the bureau with means to meet the educational growth of the country. I earnestly recommend that this unfortunate state of affairs as regards the national educational office be remedied by adequate appropriations. This recommendation is urged by the representatives of our common schools and great state universities and the leading educators, who all unite in requesting favorable consideration and action by the congress upon this subject.

The president points out the necessity of better organization of the various bureaus responsible for the public health, and urges the placing of all soldiers' homes under the jurisdiction of the war department.

Statehood.

On the question of statehood the president says:

I advocate the immediate admission of New Mexico and Arizona as states. This should be done at the present session of the congress. The people of the two territories have made it evident by their votes that they will not come in as one state. The only alternative is to admit them as two, and I trust that this will be done without delay.

Interstate Fisheries.

I call the attention of the congress to the importance of the problem of the fisheries in the interstate waters. On the Great Lakes we are now, under the very wise treaty of April 11 of this year, endeavoring to come to an international agreement for the preservation and satisfactory use of the fisheries of these waters which can not otherwise be achieved. Lake Erie, for example, has the richest fresh water fisheries in the world; but it is now controlled by the statutes of two nations, four states, and one province, and this province by two different ordinances in different counties. All these political divisions work at cross purposes, and in no case can they achieve protection to the fisheries, on the one hand, and justice to the localities and individuals on the other.

Foreign Affairs.

This nation's foreign policy is based on the theory that right must be done between nations precisely as between individuals, and in our actions for the last ten years we have in this matter proven our faith by our deeds. We have behaved, and are behaving, towards other nations, as in private life an honorable man would behave towards his fellows.

Latin-American Republics.

The commercial and material progress of the 20 Latin-American republics is worthy of the careful attention of the congress. The International Bureau of the American Republics is doing a useful work in making these nations and their resources better known to us, and in acquainting them not only with us as a people and with our purposes towards them, but with what we have to exchange for their goods.

Panama Canal.

The work on the Panama canal is being done with a speed, efficiency and entire devotion to duty, which make it a model for all work of the kind. The men on the Isthmus, from Col. Goethals and his fellow commissioners through the entire list of employes who are faithfully doing their duty, have won their right to the ungrudging respect and gratitude of the American people.

Ocean Mail Lines.

I again recommend the extension of the ocean mail act of 1891 so that satisfactory American ocean mail lines to South America, Asia, the Philippines, and Australasia may be established.

Hawaii.

I call particular attention to the Territory of Hawaii. The importance of those islands is apparent, and the need of improving their condition and developing their resources is urgent.

The Philippines.

Real progress toward self-government is being made in the Philippine islands. I trust that within a generation the time will arrive when the Philippines can decide for themselves whether it is well for them to become independent, or to continue under the protection of a strong and disinterested power, able to guarantee to the islands order at home and protection from foreign invasion.

Porto Rico.

I again recommend that American citizenship be conferred upon the people of Porto Rico.

Cuba.

In Cuba our occupancy will cease in about two months' time; the Cubans have in orderly manner elected their own governmental authorities, and the island will be turned over to them. Our occupation on this occasion has lasted a little over two years, and Cuba has thriven and prospered under it. Our earnest hope and one desire is that the people of the island shall now govern themselves with justice, so that peace and order may be secure.

Japanese Exposition.

The Japanese government has postponed until 1917 the date of the great international exposition, the action being taken so as to insure ample time in which to prepare to make the exposition all that it should be made. The American commissioners have visited Japan and the postponement will merely give ampler opportunity for America to be represented at the exposition. Not since the first international exposition has there been one of greater importance than this will be, marking, as it does, the fiftieth anniversary of the ascension to the throne of the emperor of Japan. The extraordinary leap to the foremost place among the nations of the world made by Japan during this half century is something unparalleled in all previous history.

I take this opportunity publicly to state my appreciation of the way in which in Japan, in Australia, in New Zealand, and in all the states of South America, the battle fleet has been received on its practice voyage around the world. The American government can not too strongly express its appreciation of the abounding and generous hospitality shown our ships in every port they visited.

The Army.

As regards the army I call attention to the fact that while our junior officers and enlisted men stand very high, the present system of promotion by seniority results in bringing into the higher grades many men of mediocre capacity who have but a short time to serve. No man should regard it as his vested right to rise to the highest rank in the army any more than in any other profession. It is a curious and by no means creditable fact that there should be so often a failure on the part of the public and its representatives to understand the great need, from the standpoint of the service and the nation, of refusing to promote respectable, elderly incompetents. The higher places should be given to the most deserving men without regard to seniority; at least seniority should be treated as only one consideration. In the stress of modern industrial competition no business firm could succeed if those responsible for its management were chosen simply on the ground that they were the oldest people in its employment, yet this is the course advocated as regards the army, and required by law for all grades except those of general officer. As a matter of fact all of the best officers in the highest ranks of the army are those who have attained their present position wholly or in part by a process of selection.

The scope of retiring boards should be extended so that they could consider general unfitness to command for any cause, in order to secure a far more rigid enforcement than at present in the elimination of officers for mental, physical or temperamental disabilities. But this plan is recommended only if the congress does not see fit to provide what in my judgment is far better, that is, for selection in promotion, and for elimination for age. Officers who fail to attain a certain rank by a certain age should be retired; for instance, if a man should not attain field rank by the time he is 45 he should of course be placed on the retired list. General officers should be selected as at present, and one-third of the other promotions should be made by selection, the selection to be made by the president or secretary of war from a list of at least two candidates proposed for each vacancy by a board of officers from the arm of the service from which the promotion is to be made. A bill is now before the congress having for its object to secure the promotion of officers to various grades at reasonable ages through a process of selection, by boards of officers, of the least efficient for retirement with a percentage of their pay depending upon length of service. The bill, although not accomplishing all that should be done, is a long step in the right direction; and I earnestly recommend its passage, or that of a more completely effective measure.

National Guard.

Now that the organized militia, the National Guard, has been incorporated with the army as a part of the national forces, it behooves the government to do every reasonable thing in its power to perfect its efficiency. It should be assisted in its instruction and otherwise aided more liberally than heretofore. The continuous services of many well-trained regular officers will be essential in this connection. A bill is now pending before the congress creating a number of extra officers in the army, which if passed, as it ought to be, will enable more officers to be trained as instructors of National Guard and assigned to that duty. In case of war it will be of the utmost importance to have a large number of trained officers to use for turning raw levies into good troops.

The Navy.

I approve the recommendations of the general board for the increase of the navy, calling especial attention to the need of additional destroyers and colliers, and above all, of the four battleships. It is desirable to complete as soon as possible a squadron of eight battleships of the best existing type.

I most earnestly recommend that the general board be by law turned into a general staff. There is literally no excuse whatever for continuing the present bureau organization of the navy. The navy should be treated as a purely military organization, and everything should be subordinated to the one object of securing military efficiency. A system of promotion by merit, either by selection or by exclusion, or by both processes, should be introduced. It is out of the question, if the present principle of promotion by mere seniority is kept, to expect to get the best results from the higher officers. Our men come too old, and stay for too short a time, in the high command positions.

Nothing better for the navy from every standpoint has ever occurred than the cruise of the battle fleet around the world. The improvement of the ships in every way has been extraordinary, and they have gained far more experience in battle tactics than they would have gained if they had stayed in the Atlantic waters. The American people have cause for profound gratification, both in view of the excellent condition of the fleet as shown by this cruise, and in view of the improvement the cruise has worked in this already high condition. I do not believe that there is any other service in the world in which the average of character and efficiency in the enlisted men is as high as is now the case in our own.

THEODORE ROOSEVELT.

The White House, Tuesday, December 8, 1908.