

STRONGER ARMY AND NAVY IS WILSON'S PLEA

Thorough Preparedness Theme of Annual Message to Congress.

NEED OF IMMEDIATE ACTION

Increased Regular Army, Supplemented by Trained Citizenry, is Plan—Mobilization of Industries Important Problem—Gravest Threats Against Peace Come From Within.

Washington, Dec. 7.—President Wilson today delivered the following message to congress:

Gentlemen of the Congress: Since I last had the privilege of addressing you on the state of the Union the war of nations on the other side of the sea, which had then only begun to disclose its portentous proportions, has extended its threatening and sinister scope until it has swept within its flame some portion of every quarter of the globe, not excepting our own hemisphere, has altered the whole face of international affairs, and now presents a prospect of reorganization and reconstruction such as statesmen and peoples have never been called upon to attempt before.

We have stood apart, studiously neutral. It was our manifest duty to do so. Not only did we have no part or interest in the policies which seem to have brought the conflict on; it was necessary, if a universal catastrophe was to be avoided, that a limit should be set to the sweep of destructive war and that some part of the great family of nations should keep the precursors of peace alive, if only to prevent collective economic ruin and the breakdown throughout the world of the industries by which its populations are fed and sustained. It was manifestly the duty of the self-governed nations of this hemisphere to redress, if possible, the balance of economic loss and confusion in the other, if they could do nothing more. In the day of readjustment and recuperation we earnestly hope and believe that they can be of infinite service.

American Nations Partners.
In this neutrality, to which they were bidden not only by their separate life and their habitual detachment from the politics of Europe but also by a clear perception of international duty, the states of America have become conscious of a new and more vital partnership interest and moral partnership in affairs, more clearly conscious of the many common sympathies and interests and duties which bind them stand together.

There was a time in the early days of our own great nation and of the republics fighting their way to independence in Central and South America when the government of the United States looked upon itself as in some sort the guardian of the republics to the south of her as against any encroachments or efforts at political control from the other side of the water; felt it its duty to play the part even without invitation from them; and I think that we can claim that the task was undertaken with a true and disinterested enthusiasm for the freedom of the Americas and the unobscured self-government of her independent peoples. But it was always difficult to maintain such a role without offense to the pride of the peoples whose freedom of action we sought to protect, and without provoking serious misconceptions of our motives, and every thoughtful man of affairs must welcome the altered circumstances of the new day in which we now stand, when there is no claim of guardianship or thought of wars but, instead, a full and honorable association as of partners between ourselves and our neighbors in the interest of all America, north and south. Our concern for the independence and prosperity of the states of Central and South America is not abated. We remain unabated the sentiment that has inspired us throughout the whole life of our government, and which was so frankly put into words by President Monroe. We still mean always to make a common cause of national independence and of political liberty in America.

Attitude Toward Mexico.
We have been put to the test in the case of Mexico, and we have stood the test. Whether we have benefited Mexico by the course we have pursued remains to be seen. Her fortunes are in her own hands. But we have at least proved that we will not take advantage of her in her distress and undertake to impose upon her an order and government of our own choosing. Liberty is often a fierce and intractable thing, to which no bounds can be set, and to which no bounds of a few men's choosing ought ever to be set. Every American who has drunk at the true fountains of principle and tradition must subscribe without reservation to the high doctrine of the Virginia Bill of Rights, which in the great days in which our government was set up was everywhere amongst us accepted as the creed of free men. That doctrine is, "That government is, or ought to be, instituted for the common benefit, protection and security of the people, nation, or community; that for all the various modes and forms of

government, that is the best which is capable of producing the greatest degree of happiness and safety, and is most effectually secured against the danger of maladministration; and that when any government shall be found inadequate or contrary to these purposes, a majority of the community hath an indubitable, inalienable, and indefeasible right to reform, alter, or abolish it, in such manner as shall be judged most conducive to the public weal." We have unhesitatingly applied that heroic principle to the case of Mexico, and now hopefully await the rebirth of the troubled republic, which had so much of which to purge itself and so little sympathy from any outside quarter in the radical but necessary process. We will aid and befriend Mexico, but we will not coerce her; and our course with regard to her ought to be sufficient proof to all America that we seek no political supremacy or selfish control.

The moral is, that the states of America are not hostile rivals but cooperating friends, and that their growing sense of community of interest, alike in matters political and in matters economic, is likely to give them a new significance as factors in international affairs and in the political history of the world. It presents them as in a very deep and true sense a unit in world affairs, spiritual partners, standing together because thinking together, quick with common sympathies and common ideals. Separated they are subject to all the cross currents of the confused politics of a world of hostile rivalries; united in spirit and purpose they cannot be disappointed of their peaceful destiny.

This is Pan-Americanism. It has none of the spirit of empire in it. It is the embodiment, the effectual embodiment, of the spirit of law and independence and liberty and mutual service.

Drawing the Americas Together.

A very notable body of men recently met in the city of Washington, at the invitation and as the guests of this government, whose deliberations are likely to be looked back to as marking a memorable turning point in the history of America. They were representative spokesmen of the several independent states of this hemisphere and were assembled to discuss the financial and commercial relations of the republics of the two continents which nature and political fortune have so intimately linked together. I earnestly recommend to your perusal the report of their proceedings and of the actions of their committees. You will get from them, I think, a fresh conception of the ease and intelligence and advantage with which Americans of both continents may draw together in practical co-operation and of what the material foundations of this hopeful partnership of interest must consist—of how we should build them and of how necessary it is that we should hasten their building.

There is, I venture to point out, an especial significance just now attaching to this whole matter of drawing the Americas together in bonds of honorable partnership and mutual advantage because of the economic readjustments which the world must inevitably witness within the next generation, when peace shall have at last resumed its healthful tasks. In the performance of these tasks I believe the Americas to be destined to play their parts together. I am interested to fix your attention on this prospect now because unless you take it within your view and permit the full significance of it to command your thought I cannot find the right light in which to set forth the particular matter that lies at the very front of my whole thought as I address you today. I mean national defense.

No one who really comprehends the spirit of the great people for whom we are appointed to speak can fail to perceive that their passion is for peace, their genius best displayed in the practice of the arts of peace. Great democracies are not belligerent. They do not seek or desire war. Their thought is of individual liberty and of the free labor that supports life and the unencumbered thought that quickens it. Conquest and dominion are not in our reckoning, or agreeable to our principles. But just because we demand unmolested development and the undisturbed government of our own lives upon our own principles of right and liberty, we resent, from whatever quarter it may come, the aggression we ourselves will not practice. We insist upon security in prosecuting our self-chosen lines of national development. We do more than that. We demand it also for others. We do not confine our enthusiasm for individual liberty and free unobscured development to the incidents and movements of affairs which affect only ourselves. We feel it wherever there is a people that tries to walk in these difficult paths of independence and right. From the first we have made common cause with all partisans of liberty on this side the sea and have deemed it as important that our neighbors should be free from all outside domination as that we ourselves should be; have set America aside as a whole for the uses of independent nations and political freedom.

Question of Preparedness.

Out of such thoughts grow all our policies. We regard war merely as a means of asserting the rights of a people against aggression. And we are as fiercely jealous of coercive or dictatorial power within our own nation as of aggression from without. We will not maintain a standing army except for uses which are as necessary in times of peace as in times of war; and we shall always see to it that our military peace establishment is no larger than is actually and continuously needed for the uses of days in which no enemies move against us.

But we do believe in a body of free citizens ready and sufficient to take care of themselves and of the governments which they have set up to serve them. In our constitutions themselves we have commanded that "the right of the people to keep and bear arms shall not be infringed," and our confidence has been that our safety in times of danger would lie in the rising of the nation to take care of itself, as the farmers rose at Lexington.

But war has never been a mere matter of men and guns. It is a thing of disciplined might. If our citizens are ever to fight effectively upon a sudden summons, they must know how modern fighting is done, and what to do when the summons comes to render themselves immediately available and immediately effective. And the government must be their servant in this matter, must supply them with the training they need to take care of themselves and of it. The military arm of their government, which they will not allow to direct them, they may properly use to serve them and make their independence secure,—and not their own independence merely but the rights also of those with whom they have made common cause, should they also be put in jeopardy. They must be fitted to play the great role in the world, and particularly in this hemisphere, for which they are qualified by principle and by chastened ambition to play.

It is with these ideals in mind that the plans of the department of war for more adequate national defense were conceived which will be laid before you, and which I urge you to sanction and put into effect as soon as they can be properly scrutinized and discussed. They seem to me the essential first steps, and they seem to me for the present sufficient.

Larger Army Plan.

They contemplate an increase of the standing force of the regular army from its present strength of 5,923 officers and 102,985 enlisted men of all services to a strength of 7,135 officers and 134,707 enlisted men, or 141,842, all told, all services, rank and file, by the addition of fifty-two companies of coast artillery, fifteen companies of engineers, ten regiments of infantry, four regiments of field artillery, and four aero squadrons, besides 750 officers required for a great variety of extra service, especially the all important duty of training the citizen force of which I shall presently speak, 792 noncommissioned officers for service in drill, recruiting and the like, and the necessary quota of enlisted men for the quartermaster corps, the hospital corps, the ordnance department, and other similar auxiliary services. These are the additions necessary to render the army adequate for its present duties, duties which it has to perform not only upon our own continental coasts and borders and at our interior army posts, but also in the Philippines, in the Hawaiian Islands, at the isthmus, and in Porto Rico.

By way of making the country ready to assert some part of its real power promptly and upon a larger scale, should occasion arise, the plan also contemplates supplementing the army by a force of 400,000 disciplined citizens, raised in increments of 135,000 a year throughout a period of three years. This it is proposed to do by a process of enlistment under which the serviceable men of the country would be asked to bind themselves to serve with the colors for purpose of training for short periods throughout three years, and to come to the colors at call at any time throughout an additional "furlough" period of three years. This force of 400,000 men would be provided with personal accoutrements as fast as enlisted and their equipment for the field made ready to be supplied at any time. They would be assembled for training at stated intervals at convenient places in association with suitable units of the regular army. Their period of annual training would not necessarily exceed two months in the year.

It would depend upon the patriotic feeling of the younger men of the country whether they responded to such a call to serve or not. It would depend upon the patriotic spirit of the employers of the country whether they made it possible for the younger men in their employ to respond under favorable conditions or not. For one, do not doubt the patriotic devotion either of our younger men or of those who give them employment,—those for whose benefit and protection they would in fact enlist. I would look forward to the success of such an experiment with entire confidence.

At length, so much by the way of preparation for defense seems to me to be absolutely imperative now. We cannot do less.

The Naval Program.

The program which will be laid before you by the secretary of the navy is similarly conceived. It involves only a shortening of the time within which plans long matured shall be carried out; but it does make definite and explicit a program which has heretofore been only implicit, held in the minds of the two committees on naval affairs and disclosed in the debates of the two houses but nowhere formulated or formally adopted. It seems to me very clear that it will be to the advantage of the country for the congress to adopt a comprehensive plan for putting the navy upon a final footing of strength and efficiency and to press that plan to completion within the next five years. We have always looked to the navy of the country as our first and chief line of defense; we have always seen it to be our manifest course of prudence to be strong on the seas. Year by year we have been creating a navy

which now ranks very high indeed among the navies of the maritime nations. We should now definitely determine how we shall complete what we have begun, and how soon.

The program to be laid before you contemplates the construction within five years of ten battleships, six battle cruisers, ten scout cruisers, fifty destroyers, fifteen fleet submarines, eighty-five coast submarines, four gunboats, one hospital ship, two ammunition ships, two fuel oil ships, and one regular repair ship. It is proposed that of this number we shall the first year provide for the construction of two battleships, two battle cruisers, three scout cruisers, fifteen destroyers, five fleet submarines, twenty-five coast submarines, two gunboats, and one hospital ship; the second year, two battleships, one scout cruiser, ten destroyers, four fleet submarines, fifteen coast submarines, one gunboat, and one fuel oil ship; the third year, two battleships, one battle cruiser, two scout cruisers, five destroyers, two fleet submarines, and fifteen coast submarines; the fourth year, two battleships, two battle cruisers, two scout cruisers, ten destroyers, two fleet submarines, fifteen coast submarines, one ammunition ship, and one fuel oil ship; and the fifth year, two battleships, one battle cruiser, two scout cruisers, ten destroyers, two fleet submarines, fifteen coast submarines, one gunboat, one ammunition ship, and one repair ship.

More Men for the Navy.

The secretary of the navy is asking also for the immediate addition to the personnel of the navy of 7,500 sailors, 1,200 apprentice seamen, and 1,500 marines. This increase would be sufficient to care for the ships which are to be completed within the fiscal year 1917 and also for the number of men which must be put in training to man the ships which will be completed early in 1918. It is also necessary that the number of midshipmen at the Naval Academy at Annapolis should be increased by at least three hundred.

If this full program should be carried out we should have built or building in 1921, according to the estimates of survival and standards of classification followed by the general board of the department, an effective navy consisting of 27 battleships, of the first line, 6 battle cruisers, 25 battleships of the second line, 19 armored cruisers, 13 scout cruisers, 5 first-class cruisers, 3 second-class cruisers, 19 third-class cruisers, 108 destroyers, 18 fleet submarines, 157 coast submarines, 6 monitors, 20 gunboats, 4 supply ships, 15 fuel ships, 4 transports, 3 tenders to torpedo vessels, 8 vessels of special types, and 2 ammunition ships. This would be a navy fitted to our needs and worthy of our traditions.

But armies and instruments of war are only part of what has to be considered if we are to consider the supreme matter of national self-sufficiency and security in all its aspects. There are other great matters which will be thrust upon our attention whether we will or not. There is, for example, a very pressing question of trade and shipping involved in this great problem of national adequacy. It is necessary for many weighty reasons of national efficiency and development that we should have a great merchant marine. The great merchant fleet we once used to make us rich, that great body of sturdy seafarers who used to carry our flag into every sea, and who were the pride and often the bulwark of the nation, we have almost driven out of existence by inexcusable neglect and indifference and by a hopelessly blind and provincial policy of so-called economic protection. It is high time we repaired our mistake and resumed our commercial independence on the seas.

Need of Merchant Marine.

For it is a question of independence. If other nations go to war or seek to hamper each other's commerce, our merchants, it seems, are at their mercy, to do with as they please. We must use their ships, and use them as they determine. We have not ships enough of our own. We cannot handle our own commerce on the seas. Our independence is provincial, and is only on land and within our own borders. We are not likely to be permitted to use even the ships of other nations in rivalry of their own trade, and are without means to expand our commerce even where the doors are wide open and our goods desired. Such a situation is not to be endured. It is of capital importance not only that the United States should be its own carrier on the seas and enjoy the economic independence which only an adequate merchant marine could give it, but also that the American hemisphere as a whole should enjoy a like independence and self-sufficiency, if it is not to be drawn into the tangle of European affairs. Without such independence the whole question of our political unity and self-determination is very seriously clouded and complicated indeed.

Moreover, we can develop no true or effective American policy without ships of our own—not ships of war, but ships of peace, carrying goods and carrying much more; creating friendships and rendering indispensable services to all interests on this side the water.

The task of building up an adequate merchant marine for America private capital must ultimately undertake and achieve, as it has undertaken and achieved every other like task amongst us in the past, with admirable enterprise, intelligence and vigor; and it seems to me a manifest dictate of wisdom that we should promptly remove every legal obstacle that may stand in the way of this much to be desired revival of our old independence and

should facilitate in every possible way the building, purchase and American registration of ships. But capital cannot accomplish this great task of a sudden. It must embark upon it by degrees, as the opportunities of trade develop. Something must be done at once; done to open routes and develop opportunities where they are as yet undeveloped; done to open the arteries of trade where the currents have not yet learned to run—especially between the two American continents, where they are, singular enough, yet to be created and quickened; and it is evident that only the government can undertake such beginnings and assume the initial financial risks. When the risk has passed and private capital begins to find its way in sufficient abundance into these new channels, the government may withdraw. But it cannot omit to begin. It should take the first steps, and should take them at once. Our goods must not lie piled up at our ports and stored upon side tracks in freight cars which are daily needed on the roads; must not be left without means of transport to any foreign quarter. We must not await the permission of foreign ship-owners and foreign governments to send them where we will.

Must Provide Ships.

With a view to meeting these pressing necessities of our commerce and availing ourselves at the earliest possible moment of the present unparalleled opportunity of linking the two Americas together in bonds of mutual interest and service, an opportunity which may never return again if we miss it now, proposals will be made to the present congress for the purchase or construction of ships to be owned and directed by the government similar to those made to the last congress, but modified in some essential particulars. I recommend these proposals to you for your prompt acceptance with the more confidence because every month that has elapsed since the former proposals were made has made the necessity for such action more and more manifestly imperative. That need was then foreseen; it is now acutely felt and everywhere realized by those for whom trade is waiting but who can find no conveyance for their goods. I am not so much interested in the particulars of the program as I am in taking immediate advantage of the great opportunity which awaits us if we will but act in this emergency.

There is another matter which seems to me to be very intimately associated with the question of national safety and preparation for defense. That is our policy towards the Philippines and the people of Porto Rico. Our treatment of them and their attitude towards us are manifestly of the first consequence in the development of our duties in the world and in getting a free hand to perform those duties. We must be free from every unnecessary burden or embarrassment; and there is no better way to be clear of embarrassment than to fulfill our promises and promote the interests of those dependent on us to the utmost. Bills for the alteration and reform of the government of the Philippines and for rendering fuller political justice to the people of Porto Rico were submitted to the Sixty-third congress. They will be submitted also to you. I need not particularize their details. You are most of you already familiar with them. But I do recommend them to your early adoption with the sincere conviction that there are few measures you could adopt which would more serviceably clear the way for the great policies by which we wish to make good, now and always, our right to lead in enterprises of peace and good will and economic and political freedom.

The plans for the armed forces of the nation which I have outlined, and for the general policy of adequate preparation for mobilization and defense, involve of course very large additional expenditures which will considerably exceed the estimated revenues of the government. It is made my duty by law, whenever the estimates of expenditure exceed the estimates of revenue, to call the attention of the congress to the fact and suggest any means of meeting the deficiency that it may be wise or possible for me to suggest. I am ready to believe that it would be my duty to do so in any case; and I feel particularly bound to speak of the matter when it appears that the deficiency will arise directly out of the adoption by the congress of measures which I myself urge it to adopt. Allow me, therefore, to speak briefly of the present state of the treasury and of the fiscal problems which will be immediately laid before you.

State of the Finances.

On the thirtieth of June last there was an available balance in the general fund of the treasury of \$104,176,165.78. The total estimated receipts for the year 1916, on the assumption that the emergency revenue measure passed by the last congress will not be extended beyond its present limit, the thirty-first of December, 1915, and that the present duty of one cent per pound on sugar will be discontinued after the first of May, 1916, will be \$670,365,500. The balance of June last and these estimated revenues come, therefore, to a grand total of \$774,485,665.78. The total estimated disbursements for the present fiscal year, including \$25,000,000 for the Panama canal, \$12,000,000 for probable deficiency appropriations, and \$50,000 for miscellaneous debt redemptions, will be \$753,891,000; and the balance in the general fund of the treasury will be reduced to \$20,644,665.78. The emergency revenue act, if continued beyond its present time limitation, would produce, during the half

year then remaining, about \$41,000,000. The duty of one cent per pound on sugar, if continued, would produce during the two months of the fiscal year remaining after the first of May, about \$15,000,000. These two sums, amounting together to \$56,000,000, if added to the revenues of the second half of the fiscal year, would yield the treasury at the end of the year an available balance of \$76,644,665.78.

The additional revenues required to carry out the program of military and naval preparation of which I have spoken, would, as at present estimated, be for the fiscal year 1917, \$93,800,000. Those figures, taken with the figures for the present fiscal year which I have already given, disclose our financial problem for the year 1917. Assuming that the taxes imposed by the emergency revenue act and the present duty on sugar are to be discontinued, and that the balance at the close of the present fiscal year will be only \$20,644,665.78, the disbursements for the Panama canal will again be about twenty-five millions, and that the additional expenditures for the army and navy are authorized by the congress, the deficit in the general fund of the treasury on the thirtieth of June, 1917, will be nearly two hundred and thirty-five millions. To this sum at least fifty millions should be added to represent a safe working balance for the treasury, and twelve millions to include the usual deficiency estimates in 1917; and these additions would make a total deficit of some two hundred and ninety-seven millions. If the present taxes should be continued throughout this year and the next, however, there would be a balance in the treasury of some seventy-six and a half millions at the end of the present fiscal year, and a deficit at the end of the next year of only some fifty millions, or, reckoning in sixty-two millions for deficiency appropriations and a safe treasury balance at the end of the year, a total deficit of some one hundred and twelve millions. The obvious moral of the figures is that it is a plain counsel of prudence to continue all of the present taxes or their equivalents, and confine ourselves to the problem of providing \$112,000,000 of new revenue rather than \$207,000,000.

New Sources of Revenue.

How shall we obtain the new revenue? We are frequently reminded that there are many millions of bonds which the treasury is authorized under existing law to sell to reimburse the sums paid out of current revenues for the construction of the Panama canal; and it is true that bonds to the amount of \$22,432,000 are now available for that purpose. Prior to 1913 \$138,000,000 of these bonds had actually been sold to recoup the expenditures at the isthmus; and now constitute a considerable item of the public debt. But I, for one, do not believe that the people of this country approve of postponing the payment of their bills. Borrowing money is short-sighted finance. It can be justified only when permanent things are to be accomplished which many generations will certainly benefit by and which it seems hardly fair that a single generation should pay for. The objects we are now proposing to spend money for cannot be so classified, except in the sense that everything wisely done may be said to be done in the interest of posterity as well as in our own. It seems to me a clear dictate of prudent statesmanship and frank finance that in what we are now, I hope, to undertake we should pay as we go. The people of the country are entitled to know just what burdens of taxation they are to carry, and to know from the outset, now. The new bills should be paid by internal taxation.

To what sources, then, shall we turn? This is so peculiarly a question which the gentlemen of the house of representatives are expected under the Constitution to propose an answer to that you will hardly expect me to do more than discuss it in very general terms. We should be following an almost universal example of modern government if we were to draw the greater part or even the whole of the revenues we need from the income taxes. By somewhat lowering the present limits of exemption and the figure at which the surtax shall begin to be imposed, and by increasing, step by step throughout the present graduation, the surtax itself, the income taxes as at present apportioned would yield sums sufficient to balance the books of the treasury at the end of the fiscal year 1917 without any where making the burden unreasonably or oppressively heavy. The precise reckonings are fully and accurately set out in the report of the secretary of the treasury which will be immediately laid before you.

And there are many additional sources of revenue which can justly be resorted to without hampering the industries of the country or putting any too great charge upon individual expenditure. A one per cent tax per gallon on gasoline and naphtha would yield, at the present estimated production, \$10,000,000; a tax of 50 cents per horse power on automobiles and internal explosion engines, \$15,000,000; a stamp tax on bank checks, probably \$18,000,000; a tax of 25 cents per ton on pig iron, \$10,000,000; a tax of 50 cents per ton on fabricated iron and steel, probably \$10,000,000. In a country of great industries like this it ought to be easy to distribute the burdens of taxation without making them anywhere bear too heavily or too exclusively upon any one set of persons or undertakings. What is clear is, that the industry of this generation should pay the bills of this generation. I have spoken to you today, gentlemen, upon a single theme, the thorough preparation of the nation to care for its own security and to make sure of entire freedom to play the impartial