

THE MESSAGE

What the President Says on Important Subjects.

TRUSTS AND RECIPROCIITY

How He Would Deal With These Problems.

He Declares Publicity is at Present the Only Sure Remedy Against Evils of Combinations—While Opposing Any General Tariff Change. He Upholds the Principle of Reciprocity—Advocates Reduction of Duty on Cuban Imports Into This Country—Importance of Building the Isthmian Canal and the Pacific Cable Urged—The Philippines and Other Insular Questions.

Washington, Dec. 3.—The president in his annual message to congress says:

The congress assembles this year under the shadow of a great calamity. On the 6th of September President McKinley was shot by an anarchist while attending the Pan-American exposition at Buffalo and died in that city on the 14th of that month.

Of the last seven elected presidents he is the third who has been murdered, and the bare recital of this fact is sufficient to justify grave alarm among all loyal American citizens. Moreover, the circumstances of this, the third assassination of an American president, have a peculiarly sinister significance. Both President Lincoln and President Garfield were killed by assassins of types unfortunately not uncommon in history. President Lincoln falling a victim to the terrible passions aroused by four years of civil war and President Garfield to the revengeful vanity of a disappointed office seeker. President McKinley was killed by an utterly depraved criminal belonging to that body of criminals who object to all governments, good and bad alike, who are against any form of popular liberty if it is guaranteed by even the most just and liberal laws and who are as hostile to the upright exponent of a free people's sober will as to the tyrannical and irresponsible despot.

Anarchy and Anarchists.

The president continues with a eulogy of Mr. McKinley, then turns to the subject of anarchy, denouncing its doctrines and preachers. He says:

I earnestly recommend to the congress that in the exercise of its wise discretion it should take into consideration the coming to this country of anarchists or persons professing principles hostile to all government and justifying the murder of those placed in authority. Such individuals as those who not long ago gathered in open meeting to glorify the murder of King Humbert of Italy perpetrate a crime, and the law should insure their rigorous punishment. They and those like them should be kept out of this country, and if found here they should be promptly deported to the country whence they came, and far-reaching provision should be made for the punishment of those who stay. No matter calls more urgently for the wisest thought of the congress.

A Subject For Federal Courts.

The federal courts should be given jurisdiction over any man who kills or attempts to kill the president or any man who by the constitution or by law is in line of succession for the presidency, while the punishment for an unsuccessful attempt should be proportioned to the enormity of the offense against our institutions.

Anarchy is a crime against the whole human race, and all mankind should band against the anarchist. His crime should be made an offense against the law of nations, like piracy and that form of man stealing known as the slave trade.

The president next considers business conditions, which he finds highly satisfactory. He continues:

The tremendous and highly complex industrial development which went on with ever accelerated rapidity during the latter half of the nineteenth century brings us face to face at the beginning of the twentieth with very serious social problems. The old laws and the old customs which had almost the binding force of law were once quite sufficient to regulate the accumulation and distribution of wealth. Since the industrial changes which have so enormously increased the productive power of mankind they are no longer sufficient.

Trade Combinations.

The growth of cities has gone on beyond comparison faster than the growth of the country, and the upbuilding of the great industrial centers has meant a startling increase not merely in the aggregate of wealth, but in the number of very large individual and especially of very large corporate fortunes. The creation of these great corporate fortunes has not been due to the tariff nor to any other governmental action, but to natural causes in the business world, operating in other countries as they operate in our own.

The process has aroused much antagonism, a great part of which is wholly without warrant. It is not true that as the rich have grown richer the poor have grown poorer. On the contrary, never before has the average man, the wageworker, the farmer, the small trader, been so well off as in this country and at the present time. There have been abuses connected with the accumulation of wealth, yet it remains true that a fortune accumulated in

legitimate business can be accumulated by the person specially benefited only on condition of conferring immense incidental benefits upon others. Successful enterprise of the type which benefits all mankind can only exist if the conditions are such as to offer great prizes as the rewards of success.

Reasons For Caution.

The president adds that there are many reasons for caution in dealing with corporations. He says:

The same business conditions which have produced the great aggregations of corporate and individual wealth have made them very potent factors in international commercial competition. Moreover, it cannot too often be pointed out that to strike with ignorant violence at the interests of one set of men almost inevitably endangers the interests of all. The fundamental rule in our national life—the rule which underlies all others—is that, on the whole and in the long run, we shall go up or down together.

The mechanism of modern business is so delicate that extreme care must be taken not to interfere with it in a spirit of rashness or ignorance. In dealing with business interests, for the government to undertake by crude and ill considered legislation to do what may turn out to be bad, would be to incur the risk of such far-reaching national disaster that it would be preferable to undertake nothing at all. The men who demand the impossible or the undesirable serve as the allies of the forces with which they are nominally at war, for they hamper those who would endeavor to find out in rational fashion what the wrongs really are and to what extent and in what manner it is practicable to apply remedies.

How to Correct the Evils.

All this is true, and yet it is also true that there are real and grave evils, one of the chief being overcapitalization because of its many baleful consequences, and a resolute and practical effort must be made to correct these evils.

It is no limitation upon property rights or freedom of contract to require that when men receive from government the privilege of doing business under corporate form, which frees them from individual responsibility and enables them to call into their enterprises the capital of the public, they shall do so upon absolutely truthful representations as to the value of the property in which the capital is to be invested. Corporations engaged in interstate commerce should be regulated if they are found to exercise a license working to the public injury. It should be as much the aim of those who seek for social betterment to rid the business world of crimes of cunning as to rid the entire body politic of crimes of violence. Great corporations exist only because they are created and safeguarded by our institutions, and it is therefore our right and our duty to see that they work in harmony with these institutions.

Publicity the First Essential.

The first essential in determining how to deal with the great industrial combinations is knowledge of the facts—publicity. In the interest of the public the government should have the right to inspect and examine the workings of the great corporations engaged in interstate business. Publicity is the only sure remedy which we can now invoke. What further remedies are needed in the way of governmental regulation or taxation can only be determined after publicity has been obtained by process of law and in the course of administration. The first requisite is knowledge, full and complete—knowledge which may be made public to the world.

Artificial bodies, such as corporations and joint stock or other associations, depending upon any statutory law for their existence or privileges should be subject to proper governmental supervision, and full and accurate information as to their operations should be made public regularly at reasonable intervals.

The large corporations, commonly called trusts, though organized in one state, always do business in many states, often doing very little business in the state where they are incorporated. There is utter lack of uniformity in the state laws about them, and, as no state has any exclusive interest in or power over their acts, it has in practice proved impossible to get adequate regulation through state action. Therefore, in the interest of the whole people, the nation should, without interfering with the power of the states in the matter itself, also assume power of supervision and regulation over all corporations doing an interstate business.

Amend Constitution if Necessary.

When the constitution was adopted, at the end of the eighteenth century, no human wisdom could foresee the sweeping changes, alike in industrial and political conditions, which were to take place by the beginning of the twentieth century. At that time it was accepted as a matter of course that the several states were the proper authorities to regulate, so far as was then necessary, the comparatively insignificant and strictly localized corporate bodies of the day. The conditions are now wholly different, and wholly different action is called for.

I believe that a law can be framed which will enable the national government to exercise control along the lines above indicated, profiting by the experience gained through the passage and administration of the interstate commerce act. If, however, the judgment of the congress is that it lacks the constitutional power to pass such an act, then a constitutional amendment should be submitted to confer the power.

There should be created a cabinet officer, to be known as secretary of commerce and industries, as provided

in the bill introduced at the last session of the congress. It should be his province to deal with commerce in its broadest sense, including among many other things whatever concerns labor and all matters affecting the great business corporations and our merchant marine.

Labor.

The president declares that he regards it necessary to re-enact the Chinese exclusion law. In regard to labor he says that the government should provide in its contracts that all work should be done under "fair" conditions and that all night work should be forbidden for women and children as well as excessive overtime. He continues:

Very great good has been and will be accomplished by associations or unions of wageworkers when managed with forethought and when they combine insistence upon their own rights with law abiding respect for the rights of others. The display of these qualities in such bodies is a duty to the nation no less than to the associations themselves. Finally, there must also in many cases be action by the government in order to safeguard the rights and interests of all. Under our constitution there is much more scope for such action by the state and the municipality than by the nation. But on points such as those touched on above the national government can act.

He asserts that the immigration laws are unsatisfactory and that a law should be enacted to keep out not only anarchists, but persons of a low moral tendency or of unsavory reputation and those who are below a certain standard of economic fitness to enter our industrial field as competitors with American labor.

The Tariff and Reciprocity.

The president declares that nothing could be more unwise than to disturb the business interests of the country by any general tariff change at this time. He adds:

Yet it is not only possible, but eminently desirable, to combine with the stability of our economic system a supplementary system of reciprocal benefit and obligation with other nations. Such reciprocity is an incident and result of the firm establishment and preservation of our present economic policy. It was specially provided for in the present tariff law.

Reciprocity must be treated as the handmaiden of protection. Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained, and that reciprocity be sought for so far as it can safely be done without injury to our home industries. Just how far this is must be determined according to the individual case, remembering always that every application of our tariff policy to meet our shifting national needs must be conditioned upon the cardinal fact that the duties must never be reduced below the point that will cover the difference between the labor cost here and abroad. The well being of the wageworker is a prime consideration of our entire policy of economic legislation.

Need For Wider Markets.

Subject to this proviso of the proper protection necessary to our industrial well being at home, the principle of reciprocity must command our hearty support. The phenomenal growth of our export trade emphasizes the urgency of the need for wider markets and for a liberal policy in dealing with foreign nations. Whatever is merely petty and vexatious in the way of trade restrictions should be avoided. The customers to whom we dispose of our surplus products in the long run, directly or indirectly, purchase those surplus products by giving us something in return. Their ability to purchase our products should as far as possible be secured by so arranging our tariff as to enable us to take from them those products which we can use without harm to our own industries and labor or the use of which will be of marked benefit to us.

It is most important that we should maintain the high level of our present prosperity. We have now reached the point in the development of our interests where we are not only able to supply our own markets, but to produce a constantly growing surplus for which we must find markets abroad. To secure these markets we can utilize existing duties in any case where they are no longer needed for the purpose of protection, or in any case where the article is not produced here and the duty is no longer necessary for revenue, as giving us something to offer in exchange for what we ask.

The cordial relations with other nations which are so desirable will naturally be promoted by the course thus required by our own interests.

The natural line of development for a policy of reciprocity will be in connection with those of our productions which no longer require all of the support once needed to establish them upon a sound basis and with those others where either because of natural or of economic causes we are beyond the reach of successful competition.

The condition of the American merchant marine is such as to call for immediate remedial action by the congress. It is discreditable to us as a nation that our merchant marine should be utterly insignificant in comparison to that of other nations which we overtop in other forms of business. We should no longer submit to conditions under which only a trifling portion of our great commerce is carried in our own ships. To remedy this state of things would not merely serve to build up our shipping interests, but it would also result in benefit to all who are interested in the permanent establishment of a wider market for American products and would provide an auxiliary force for the navy. Ships

work for their own countries just as railroads work for their terminal points. Shipping lines, if established to the principal countries with which we have dealings, would be of political as well as commercial benefit. From every standpoint it is unwise for the United States to continue to rely upon the ships of competing nations for the distribution of our goods. It should be made advantageous to carry American goods in American built ships.

At present American shipping is under certain great disadvantages when put in competition with the shipping of foreign countries. Many of the fast foreign steamships, at a speed of fourteen knots or above, are subsidized, and all our ships, sailing vessels and steamers alike, cargo carriers of slow speed and mail carriers of high speed, have to meet the fact that the original cost of building American ships is greater than is the case abroad; that the wages paid American officers and seamen are very much higher than those paid the officers and seamen of foreign competing countries, and that the standard of living on our ships is far superior to the standard of living on the ships of our commercial rivals. Our government should take such action as will remedy these inequalities. The American merchant marine should be restored to the ocean.

Financial.

The passage of the act establishing gold as the standard money has, it is declared, been shown to be timely and judicious. The president adds:

In many respects the national banking law furnishes sufficient liberty for the proper exercise of the banking function, but there seems to be need of better safeguards against the deranging influence of commercial crises and financial panics. Moreover, the currency of the country should be made responsive to the demands of our domestic trade and commerce.

Economy in expenditures is urged. Amendment of the interstate commerce act is advised to insure the cardinal provisions of that act. The work carried on by the department of agriculture is highly commended and praised highly. The president then turns to forest preservation and irrigation of arid lands, saying that both are highly necessary. He would put all the work in connection with the forest reserves in charge of the bureau of forestry.

Irrigation.

The president continues by tracing the connection between the forest reserves and the water supply. He says: The forests are natural reservoirs. By restraining the streams in flood and replenishing them in drought they make possible the use of waters otherwise wasted. They prevent the soil from washing and so protect the storage reservoirs from filling up with silt. Forest conservation is, therefore, an essential condition of water conservation.

The forests alone cannot, however, fully regulate and conserve the waters of the arid region. Great storage works are necessary to equalize the flow of streams and to save the flood waters. Their construction has been conclusively shown to be an undertaking too vast for private effort. Nor can it be best accomplished by the individual states acting alone. The government should construct and maintain these reservoirs as it does other public works. Where their purpose is to regulate the flow of streams, the water should be turned freely into the channels in the dry season to take the same course under the same laws as the natural flow.

The reclamation of the unsettled arid public lands presents a different problem. Here it is not enough to regulate the flow of streams. The object of the government is to dispose of the land to settlers who will build homes upon it. To accomplish this object water must be brought within their reach.

The pioneer settlers on the arid public domain chase their homes along streams from which they could themselves divert the water to reclaim their holdings. Such opportunities are practically gone. There remain, however, vast areas of public land which can be made available for homestead settlement, but only by reservoirs and main line canals impracticable for private enterprise. These irrigation works should be built by the national government. The lands reclaimed by them should be reserved by the government for actual settlers, and the cost of construction should, so far as possible, be repaid by the land reclaimed. The distribution of the water, the division of the streams among irrigators, should be left to the settlers themselves in conformity with state laws and without interference with those laws or with vested rights.

The declaration is made that in the arid states the only right to water which should be recognized is that of use. The president says that the doctrine of private ownership of water apart from land cannot prevail without causing wrong.

Insular Problems.

Insular questions are next treated. In Hawaii our aim must be to develop the territory on the traditional American lines. Porto Rico is declared to be thriving as never before. The attention of congress is called to the need of legislation concerning the island's public lands. In Cuba it is stated that much progress has been made toward putting the independent government of the island upon a firm footing and it is declared that independence will be an accomplished fact. The president adds:

Elsewhere I have discussed the question of reciprocity. In the case of Cuba, however, there are twenty reasons of morality and of national interest why the policy should be held to have a peculiar application, and I most earnestly ask your attention to the wisdom, indeed to the vital need, of providing for a substantial reduction in

the tariff duties on Cuban imports into the United States.

In dealing with the Philippine people we must show both patience and strength, forbearance and steadfast resolution. Our aim is high. We do not desire to do for the islanders merely what has elsewhere been done for tropic peoples by even the best foreign governments. We hope to do for them what has never before been done for any people of the tropics—to make them fit for self government after the fashion of the really free nations.

The only fear is lest in our overanxiety we give them a degree of independence for which they are unfit, thereby inviting reaction and disaster. As fast as there is any reasonable hope that in a given district the people can govern themselves self government has been given in that district. There is not a locality fitted for self government which has not received it. But it may well be that in certain cases it will have to be withdrawn because the inhabitants show themselves unfit to exercise it; such instances have already occurred. In other words, there is not the slightest chance of our falling to show a sufficiently humanitarian spirit. The danger comes in the opposite direction.

Troubles Ahead Yet.

There are still troubles ahead in the islands. The insurrection has become an affair of local banditti and marauders, who deserve no higher regard than the brigands of portions of the old world. Encouragement, direct or indirect, to these insurgents stands on the same footing as encouragement to hostile Indians in the days when we still had Indian wars.

The president declares that the time has come for additional legislation for the Philippines. He says:

It is necessary that the congress should pass laws by which the resources of the islands can be developed, so that franchises (for limited terms of years) can be granted to companies doing business in them and every encouragement be given to the incoming of business men of every kind. It is urgently necessary to enact suitable laws dealing with general transportation, mining, banking, currency, homesteads and the use and ownership of the lands and timber. These laws will give free play to industrial enterprise, and the commercial development which will surely follow will afford to the people of the islands the best proofs of the sincerity of our desire to aid them.

The Cable and the Canal.

I call your attention most earnestly to the crying need of a cable to Hawaii and the Philippines, to be continued from the Philippines to points in Asia. We should not defer a day longer than necessary the construction of such a cable. It is demanded not merely for commercial but for political and military considerations. Either the congress should immediately provide for the construction of a government cable or else an arrangement should be made by which like advantages to those accruing from a government cable may be secured to the government by contract with a private cable company.

No single great material work which remains to be undertaken on this continent is of such consequence to the American people as the building of a canal across the isthmus connecting North and South America. Its importance to the nation is by no means limited merely to its material effects upon our business prosperity, and yet with a view to these effects alone it would be to the last degree important for us immediately to begin it. While its beneficial effects would perhaps be most marked upon the Pacific coast and the gulf and South Atlantic states, it would also greatly benefit other sections. It is emphatically a work which it is for the interest of the entire country to begin and complete as soon as possible.

I am glad to be able to announce to you that our negotiations on this subject with Great Britain, conducted on both sides in a spirit of friendliness and mutual good will, have resulted in my being able to lay before the senate a treaty which, if ratified, will enable us to begin preparations for an isthmian canal at any time and which guarantees to this nation every right that it has ever asked in connection with the canal. It specifically provides that the United States alone shall do the work of building and assume the responsibility of safeguarding the canal and shall regulate its neutral use by all nations on terms of equality without the guarantee or interference of any outside nation from any quarter.

The Monroe Doctrine.

The Monroe doctrine should be the cardinal feature of the foreign policy of all the nations of the two Americas, as it is of the United States. The Monroe doctrine is a declaration that there must be no territorial aggrandizement by any non-American power at the expense of any American power on American soil. It is in no wise intended as hostile to any nation in the old world. Still less is it intended to give cover to any aggression by one new world power at the expense of any other. It is simply a step, and a long step, toward assuring the universal peace of the world by securing the possibility of permanent peace on this hemisphere.

During the past century other influences have established the permanence and independence of the smaller states of Europe. Through the Monroe doctrine we hope to be able to safeguard like independence and secure like permanence for the lesser among the new world nations.

This doctrine has nothing to do with the commercial relations of any American power save that it in truth allows each of them to form such as it desires. In other words, it is really a guarantee of the commercial independence of the Americas. We do not ask under this doctrine for any exclusive commercial dealings with any other American state. We do not guarantee any state

against punishment if it misconducts itself, provided that punishment does not take the form of the acquisition of territory by any non-American power. Our attitude in Cuba is a sufficient guarantee of our own good faith. We have not the slightest desire to secure any territory at the expense of any of our neighbors.

The Navy.

The president devotes considerable space to the navy, the upbuilding of which, he says, should be steadily continued. The navy offers us, it is declared, the only means of insisting on the Monroe doctrine, and a strong navy is the best guarantee against war. He recommends that provision be made not only for more ships, but for more men. Four thousand additional seamen and 1,000 additional marines should be provided, as well as an increase in officers. After indorsing the naval militia forces the president says:

But in addition we should at once provide for a national naval reserve, organized and trained under the direction of the navy department and subject to the call of the chief executive whenever war becomes imminent. It should be a real auxiliary to the naval seagoing peace establishment and offer material to be drawn on at once for manning our ships in time of war.

The Army.

It is not necessary to increase our army beyond its present size at this time, but it is necessary to keep it at the highest point of efficiency. The individual units who as officers and enlisted men compose this army are, we have good reason to believe, at least as efficient as those of any other army in the entire world. It is our duty to see that their training is of a kind to insure the highest possible expression of power to these units when acting in combination.

A general staff should be created. Promotions should be made solely with regard to the good of the service. Congress ought to provide, the president adds, for field exercises. He continues:

Action should be taken in reference to the militia and to the raising of volunteer forces. Our militia law is obsolete and worthless. The organization and armament of the national guard of the several states, which are treated as militia in the appropriations by the congress, should be made identical with those provided for the regular forces. The obligations and duties of the guard in time of war should be carefully defined and a system established by law under which the method of procedure of raising volunteer forces should be prescribed in advance.

The Merit System.

The president indorses the merit system of making appointments and says: I recommend the passage of a law which will extend the classified service to the District of Columbia or will at least enable the president thus to extend it. In my judgment all laws providing for the temporary employment of clerks should hereafter contain a provision that they be selected under the civil service law.

It is important to have this system obtain at home, but it is even more important to have it applied rigidly in our insular possessions. The importance of improving the consular service by the passage of new laws is emphasized.

The president then turns to the Indian question. He says:

We should now break up the tribal funds, doing for them what allotment does for the tribal lands—that is, they should be divided into individual holdings. There will be a transition period during which the funds will in many cases have to be held in trust. This is the case also with the lands. A stop should be put upon the indiscriminate permission to Indians to lease their allotments. The effort should be steadily to make the Indian work like any other man on his own ground. The marriage laws of the Indians should be made the same as those of the whites. In the schools the education should be elementary and largely industrial.

Cordial support from congress and people is asked for the St. Louis exposition. The Charleston exposition is commended to the good will of the people. The work of the Pan-American exposition is praised.

It is recommended that the census office as now constituted should be made a permanent government bureau.

The Postal Service.

A tribute is paid to the postal service, and the extension of free rural delivery is commended. The postoffice department should be sustained, the president says, in its efforts to remove the abuses in connection with second class mail matter.

Much attention is paid to the situation in China, and the progress toward the establishment of peace there is recapitulated. Stress is laid on the importance of our continuing to advocate moderation in the dealings with China. The president concludes his message as follows:

The death of Queen Victoria caused the people of the United States deep and heartfelt sorrow, to which the government gave full expression. When President McKinley died, our nation turned received from every quarter of the British empire expressions of grief and sympathy no less sincere. The death of the Empress Dowager Frederick of Germany also aroused the genuine sympathy of the American people, and this sympathy was cordially reciprocated by Germany when the president was assassinated. Indeed, from every quarter of the civilized world we received at the time of the president's death assurances of such grief and regard as to touch the hearts of our people. In the midst of our affliction we reverently thank the Almighty that we are at peace with the nations of mankind, and we firmly intend that our policy shall be such as to continue unbroken these international relations of mutual respect and good will.