

THE PRESIDENT'S MESSAGE

A Strong Presentation of the Leading Questions Demanding Legislation

STRONG ON RATE REGULATION

The Country is Enjoying a Season of Unprecedented Prosperity—Subjects That Will Engage the Attention of the People's Representatives—A Thoughtful and Exhaustive Document.

Following is in substance the annual message of President Roosevelt, as read in both houses of Congress:

Introduction.

To the Senate and House of Representatives:

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

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

Corporations.

Yet, while not merely admitting, but insisting upon this, it is also true that where there is no governmental restraint or supervision some of the exceptional men use their energies not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organization are now so large, and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign—that is, to the Government, which represents the people as a whole—some effective power of supervision over their corporate use. In order to insure a healthy social and industrial life, every big corporation should be held responsible by, and be accountable to, some sovereign strong enough to control its conduct. I am in no sense hostile to corporations. This is an age of combination, and any effort to prevent all combination will be not only useless, but in the end vicious, because of the

contempt for law which the failure to enforce law inevitably produces. We should, moreover, recognize in cordial and ample fashion the immense good effected by corporate agencies in a country such as ours, and the wealth of intellect, energy, and fidelity devoted to their service, and therefore normally to the service of the public, by their officers and directors. The corporation has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice. So long as the finances of the Nation are kept upon an honest basis no other question of internal economy with which the Congress has the power to deal begins to approach in importance the matter of endeavoring to secure proper industrial conditions under which the individuals—and especially the great corporations—doing an interstate business are to act. The makers of our National Constitution provided especially that the regulation of interstate commerce should come within the sphere of the General Government. The arguments in favor of their taking this stand were even then overwhelming. But they are far stronger to-day, in view of the enormous development of great business agencies, usually corporate in form. Experience has shown conclusively that it is useless to try to get any adequate regulation and supervision of these great corporations by State action. Such regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is coextensive with the field of work of the corporations—that is, by the National Government.

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

The first consideration to be kept in mind is that the power should be affirmative and should be given to some administrative body created by the Congress.

Illegal transactions often occur under the forms of law. It has often occurred that a shipper has been told by a traffic officer to buy a large quantity of some commodity and then after it has been bought an open reduction is made in rate take effect immediately, the arrangement resulting to the damage of all their competitors; for it must not be forgotten that the big shippers are at least as much to blame as any railroad in the matter of rebates. The law should make it clear so that nobody can fail to understand that any kind of commission paid on freight shipments, whether in this form or in the form of fictitious damages, or of a concession a fress pass, reduced passenger rate, or payment of brokerage, is illegal.

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

banks by the bank examiners; a few first-class railroad accountants, if they had proper direction and proper authority to inspect books and papers, could accomplish much in preventing willful violations of the law.

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

Safety Appliances.

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

Hours of Labor of Railroad Employees.

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

Labor.

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

There has been demand for depriving courts of the power to issue injunctions in labor disputes. Such special limitation of the equity powers of our courts would be most unwise. It is true that some judges have misused this power; but this does not justify a denial of the power any more than an improper exercise of the power to call a strike by a labor leader would justify the denial of the right to strike.

The Department of Commerce and Labor should also make a thorough investigation of the condition of women in industry. Over five million American women are now engaged in gainful occupations; yet there is an almost complete dearth of data upon which to base any trustworthy conclusions as regards a subject as important as it is vast and complicated. There is need of full knowledge on which to base action looking toward State and municipal legislation for the protection or working women. The introduction of women into industry is working change and disturbance in the domestic and social life of the Nation.

Insurance.

The great insurance companies afford striking examples of corporations whose business has extended so far beyond the jurisdiction of the State which created them as to preclude strict enforcement of supervision and regulation by the parent States. In my last annual Message, I recommended "that the Congress carefully consider whether the power of the Bureau of Corporations can not constitutionally be extended to cover interstate transactions in insurance." Recent events have emphasized the importance of an early and exhaustive consideration of this question, to see whether it is not possible to furnish better safeguards than the several States have been able to furnish against corruption of the flagrant kind which has been exposed. It has been only too clearly shown that certain of the men at the head of these large corporations take but small note of the ethical distinction between honesty and dishonesty; they draw the line only this side of what may be called law-honesty, the kind of honesty necessary in order to avoid falling into the clutches of the law.

Of course the only complete remedy for this condition must be found in an aroused public conscience, a higher sense of ethical conduct in the community at large, and especially among business men and in the great profession of the law, and in the growth of a spirit which condemns all dishonesty, whether in rich man or in poor man, whether it takes the shape of bribery or of blackmail. But much can be done by legislation which is not only drastic but practical.

The Revenues.

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

Economy in Expenditures.

I earnestly recommend to the Congress the need of economy and to this end of a rigid scrutiny of appropriations. As examples merely, I call your attention to one of two specific matters. All unnecessary offices should be abolished. The Commissioner of the General Land Office recommends the abolishment of the office of receiver of public moneys for United States land offices.

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

At various times I have instituted investigations into the organization and conduct of the business of the Executive Departments. While none of these inquiries have yet progressed far enough to warrant final conclusions, they have already confirmed and emphasized the general impression that the organization of the Departments is often faulty in principle and wasteful in results, while many of their business methods are antiquated and inefficient. There is every reason why our executive governmental machinery should be at least as well planned, economical, and efficient as the best machinery of the great business organizations, which at present is not the case.

Monroe Doctrine.

One of the most effective instruments for peace is the Monroe Doctrine as it has been and is being gradually developed by this Nation and accepted by other nations. No other policy could have been as efficient in promoting peace in the Western Hemisphere and in giving to each nation therein the chance to develop along its own lines. If we had refused to apply the Doctrine to changing conditions it would now be completely outworn would not meet any of the needs of the present day, and indeed would probably by this time have sunk into complete oblivion. It is useful at home, and in meeting with recognition abroad because we have adapted our application of it to meet the growing and changing needs of our Hemisphere. When we announce a policy, such as the Monroe Doctrine, we thereby commit ourselves to the consequences of the policy, and those consequences from time to time alter. It is out of the question to claim a right and yet shirk the responsibility for its exercise. Not only we, but all American Republics who are benefited by the existence of the Doctrine, must recognize the obligations each nation is under as regards foreign peoples no less than its duty to insist upon its own rights. That our rights and interests are deeply concerned in the maintenance of the Doctrine is as clear as hardly to need argument. This is especially true in view of the construction of the Panama Canal. As a mere matter of self-defense we must exercise a close watch over the approaches to this canal; and this means that we must be thoroughly alive to our interests in the Caribbean Sea.

Santo Domingo.

Santo Domingo, in her turn, has now made an appeal to us to help her, and not only every principle of wisdom but every generous instinct within us bids us respond to the appeal. It is not of the slightest consequence whether we grant the aid needed by Santo Domingo as an in-

cident to the wise development of the Monroe Doctrine, or because we regard the case of Santo Domingo as standing wholly by itself, and to be treated as such, and not on general principles or with any reference to the Monroe Doctrine.

Army and Navy.

We cannot consider the question of our foreign policy without at the same time treating of the Army and the Navy. We now have a very small army—indeed, one well-nigh infinitesimal when compared with the army of any other large nation. Of course the Army we do have should be as nearly perfect of its kind and for its size as possible. I do not believe that any army in the world has a better average of enlisted man or a better type of junior officer; but the Army should be trained to act effectively in a mass. Provision should be made by sufficient appropriations for maneuvers of a practical kind so that the troops may learn how to take care of themselves under actual service conditions; every march for instance, being made with the soldier loaded exactly as he would be in active campaign. The generals and colonels would thereby have opportunity of handling regiments, brigades, and divisions, and the commissary and medical departments would be tested in the field. Provision should be made for the exercise at least of a brigade and by preference of a division in marching and embarking at some point and continuing its march. The number of posts in which the Army is kept in time of peace should be materially diminished and the posts that are left made correspondingly larger. No local interests should be allowed to stand in the way of assembling the greater part of the troops which would at need form our field armies in stations of such size as will permit the best training to be given to the personnel of all grades, including the high officers and staff officers. To accomplish this end we must have not company or regimental garrisons, but brigade and division garrisons.

Federal Elections.

The President touches upon the question of Federal elections, quoting the well known constitutional provision that Congress shall be the final judge of the qualification of its own members. He also declares strongly against all forms of corruption and expresses regret at the growing tendency to increase expenses in connection with the conduct of political campaigns. Briefly, he advocates the greatest possible purity of the ballot and the fullest freedom of the exercise of the elective franchise consistent with good government.

Immigration.

This subject of immigration is treated by Mr. Roosevelt in a particularly able and thoughtful manner. The tendency of foreigners to congregate in sections of the country already congested with people is deplored. High-class foreigners are desirable and are welcomed, but only those with tendencies towards good citizenship and of industrious and law-abiding habits will add to the general welfare of the nation. It is pointed out that our farming sections need labor, and that all who come with a will to work will find a ready welcome.

Criminal Laws.

In my last Message I asked the attention of the Congress to the urgent need of action to make our criminal law more effective; and I most earnestly request that you pay heed to the report of the Attorney-General on this subject. Centuries ago it was especially needful to throw every safeguard round the accused. Such danger then was less he should be wronged by the state. The danger is now exactly the reverse. Breaches of Trust in Public Service. There seems to be no statute of the United States which provides for the punishment of a United States attorney or other officer of the Government who corruptly agrees to wrongfully do or wrongfully refrain from doing any act when the consideration for such corrupt agreement is other than one possessing money value. This ought to be remedied by appropriate legislation.

Public Land Laws.

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

The Jamestown Tercentennial.

This enterprise is highly commended by the President, who heartily sets the seal of his approval upon everything Congress may see fit to do to assist in making it a success.

Our Island Possessions.

Good work has been done by our government in all the territorial acquired by our recent war with Spain. Order is rapidly being brought about and the people are becoming contented and prosperous.

The Hague Conference.

This tribunal, established for the purpose of arbitrating matters of international difference, has already accomplished much good. Matters of armament and defense and also the duties of neutral powers in time of war have been brought up and discussed before this high tribunal, and a better understanding between the grown out of the meetings. Nations of the earth has already

National Park Reservations.

The President recommends to the Congress the enlargement of the bounds of the Yellowstone National Park, the protection of the Niagara Falls and the establishment of such other park reservations as congress may see fit to set apart. The great benefits of these national parks to science as well as to the health and happiness of the people is pointed out.

Merchant Marine.

To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reinforce our battle line. It can not but be a source of regret and unfitness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control.

Pensions.

The soldier who did his duty in the time of war should receive the benefits of a grateful country, but here as elsewhere, a strict watch should be kept to prevent fraud.

Mississippi Levees.

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

The Civil Service.

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

Admission to Statehood.

I recommend that Indian Territory and Oklahoma be admitted as one State and that Mexico and Arizona be admitted as one State. There is no obligation upon us to treat territorial subdivisions, which are matters of convenience only, as binding us on the question of admission to statehood.

Panama Canal.

The treatment between the United States and the Republic of Panama, under which the construction of the Panama Canal was made possible, went into effect with its ratification by the United States on April 23, 1904, on payment of \$40,000,000 to that company. On April 1, 1905, the Commission was reorganized and it now consists of Theodore P. Shonts, chairman, Charles E. Ma-Admiral Morecam T. Endicott, Brig. Gen. Peter C. Hains, and Col. Oswald H. Ernst.

The Department of State.

I recommend more adequate provision than has been made heretofore for the work of the Department of State. Within a few years there has been a very great increase in the amount and importance of the work to be done by that Department, both in Washington and abroad. This has been caused by the great increase of our foreign trade, the increase of wealth among our people, which enables them to travel more generally than heretofore, the increase of American capital which is seeking investment in foreign countries, and the growth of our power and weight in the councils of the civilized world.

Conclusion.

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

THEODORE ROOSEVELT.
The White House,
December 5, 1905.