

PRESIDENT'S WORD IS TO PREPARE

Annual Message Phases of Coordinated and Efficient Action.

FOR GREATER REGULAR ARMY

Citizen Soldiers Part of His Plan—Problem of Commercial Mobilization Stated—Disloyalty Among Certain Elements in Our National Life Serious Menace to Peace.

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 were to be avoided, that a limit should be set to the sweep of destructive war.

Some part of the great family of nations should keep the processes 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 community interest and moral partnership in affairs, more clearly conscious of the many common sympathies and interests and duties which bid 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 unimpeded 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 whose light we now stand, when there is no claim of guardianship or thought of wards but, instead, a full and honorable association as of equals 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 altered. We retain unabated the spirit 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.

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 suzerainty 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.

Driving the Americas Together.

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 domination are not in our reckoning, or agreeable to our principles. But just because we demand unimpeded 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.

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.

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.

Larger Army Plan.

They contemplate an increase of the standing force of the regular army from its present strength of 5,623 officers and 102,985 enlisted men to 7,126 officers and 134,787 enlisted men, or 141,913, 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 133,000 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.

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

STRIKING POINTS IN PRESIDENT WILSON'S MESSAGE

The department of war contemplates an increase of the standing force of the regular army from its present strength of 5,623 officers and 102,985 enlisted men to 7,126 officers and 134,787 enlisted men, and supplementing it by a force of 400,000 disciplined citizens. It will be 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. The greatest threats against our national peace and safety have been uttered within our own borders. It is necessary for many weighty reasons of national efficiency and development that we should have a great merchant marine. It seems to me a clear dictate of prudent statesmanship and frank finance that in what we are now to undertake we should pay as we go. 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. 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. Our concern for the independence and prosperity of the states of Central and South America is not altered.

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, 1,500 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, 10 armored cruisers, 13 scout cruisers, 5 first-class cruisers, 3 second-class cruisers, 10 third-class cruisers, 105 destroyers, 18 fleet submarines, 157 coast submarines, 6 gunboats, 20 supply ships, 15 fuel ships, 4 transport, 3 tenders to torpedo vessels, 5 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.

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 precarious, 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 extend 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 would 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.

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.

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 of money—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 the next year will probably disclose.

State of the Finances.

On the thirtieth of June last there was an available balance in the general fund of the treasury of \$104,170,105.78. The total estimated receipts for the year 1918, 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, 1918, and that the present duty of one cent per pound on sugar will be discontinued after the first of May, 1918, will be \$478,168,580. The balance of June last and these estimated revenues combined, therefore, to a grand total of \$774,485,605.78. The total estimated disbursements for the present fiscal year, including \$25,000,000 for the Panama canal, \$12,000,000 for probable emergency appropriations, and \$8,000 for miscellaneous debt redemptions, will be \$753,891,000; and the balance in the general fund of the treasury will be reduced to \$20,644,605.78. The emergency revenue act, if continued beyond its present time limitation, would produce, during the half year then remaining, about \$11,000,000. 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 \$26,000,000, 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 \$76,644,605.78.

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, \$66,000,000. These 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 \$20,644,605.78, that 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 \$297,000,000.

New Sources of Revenue.

How shall we obtain the new revenues? 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 anywhere 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 kerosene 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 role in this hemisphere and in the world which we all believe to have been providentially assigned to it. I have had in my mind no thought of any immediate or particular danger arising out of our relations with other nations. We are at peace with all the nations of the world, and there is reason to hope that no question in controversy between this and other governments will lead to any serious breach of amicable relations, grave as some differences of attitude and policy have been and may yet turn out to be. I am sorry to say that the gravest threats against our national peace and safety have been uttered within our own borders. There are enemies of the United States, I blush to admit, born under other flags but welcomed under our generous naturalization laws to the full freedom and opportunity of America, who have poured the poison of disloyalty into the very arteries of our national life; who have sought to bring the authority and good name of our government into contempt, to destroy our industries wherever they thought it effective for their vindictive purposes to strike at them, and to debase our politics to the uses of foreign intrigue. Their number is not great but compared with the whole number of those sturdy hosts by which our nation has been enriched in recent generations out of virile foreign stocks; but it is great enough to have brought deep disgrace upon us and to have made it necessary that we should promptly make use of processes of law by which we may be purged of their corrupt influences. America never witnessed

anything like this before. If I have dreamed it possible that men should into their own citizenship, men should out of great free stocks such as supplied some of the best and strongest elements of that little, but how honorable, nation that in a high day of old established its life to free itself from every yoke of oppression that had darkened the eyes of the other nations and set up a new standard here—that men of such origins and such free choices of allegiance would ever turn in malignant reaction against the government and people who had welcomed and nurtured them and seek to make this proud country since pride a hotbed of European passion. A little while ago such a thing would have seemed incredible. Because it was incredible we under the preparation for it. We would have been almost ashamed to prepare for it, as if we were suspicious of ourselves, our own comrades and neighbors! But the ugly and incredible thing has actually come about and we are without adequate federal laws to deal with it. I urge you to enact such laws at the earliest possible moment and feel that in doing so I am urging you to do nothing less than save the honor and self-respect of the nation. Such creatures of passion, disloyalty, and anarchy must be crushed out. They are not many, but they are infinitely malignant, and the hand of our power should close over them at once. They have formed plots to destroy property, they have entered into conspiracies against the neutrality of the government, they have sought to pry into every confidential transaction of the government in order to serve interests alien to our own. It is possible to deal with these things very effectively. I need not suggest the terms in which they may be dealt with.

Are Disgrace to the Nation.

I wish that it could be said that only a few men, misled by mistaken sentiments of allegiance to the governments under which they were born, had been guilty of disturbing the self-possession and misrepresenting the temper and principles of the country during these days of terrible war, when it would seem that every man who was truly an American would instinctively make it his duty and his pride to keep the scales of judgment even and prove himself a partisan of no nation but his own. But it cannot. There are some men among us, and many resident abroad who, though born and bred in the United States and calling themselves Americans, have so forgotten themselves and their honor as citizens as to put their passionate sympathy with one or the other side in the great European conflict above their regard for the peace and dignity of the United States. They also preach and practice disloyalty. No laws, I suppose, can reach corrptions of the mind and heart; but I should not speak of others without also speaking of these and expressing the even deeper humiliation and scorn which every self-possessed and thoughtfully patriotic American must feel when he thinks of them and of the discredit they are daily bringing upon us.

While we speak of the preparation of the nation to make sure of her security and her effective power we must not fall into the patent error of supposing that her real strength comes from armaments and mere safeguards of written law.

What is more important is, that the industries and resources of the country should be available and ready for mobilization.

The transportation problem is an exceedingly serious and pressing one in this country. There has from time to time of late been reason to fear that our railroads would not much longer be able to cope with it successfully, as at present equipped and co-ordinated. I suggest that it would be wise to provide for a commission of inquiry to ascertain by a thorough canvass of the whole question whether our laws as at present framed and administered are as serviceable as they might be in the solution of the problem. It is obviously a problem that lies at the very foundation of our efficiency as a people. Such an inquiry ought to draw out every circumstance and opinion worth considering and we need to know all sides of the matter if we mean to do anything in the field of federal legislation.

Regulation of Railroads.

No one, I am sure, would wish to take any backward step. The regulation of the railways of the country by federal commission has had admirable results and has fully justified the hopes and expectations of those by whom the policy of regulation was originally proposed. The question is not, what should we undo? It is, whether there is anything else we can do that would supply us with effective means, in the very process of regulation, for bettering the conditions under which the railroads are operated and for making them more useful servants of the country as a whole. It seems to me that it might be the part of wisdom, therefore, before further legislation in this field is attempted, to look at the whole problem of co-ordination and efficiency in the full light of a fresh assessment of circumstance and opinion, as a guide to dealing with the several parts of it.

For what we are seeking now, what in my mind is the single thought of this message, is national efficiency and security. We sense a great nation. We at our side serve it in the spirit of its peculiar genius. It is the genius of common men for self-government, industry, justice, liberty, and peace. We should see to it that it has no instrument so faulty as that of law, to make it inefficient in its part with energy, safety and peace. In this we are no partisans but heralds and prophets of a new age.