## THE PRESIDENT'S MESSAGE.

To the Senate and House of Representa-

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We still continue in a period of unbounded prosperity. This prosperity is not the creature of law, but undoubtedly the laws under which we work have been instrumental in creating the conditions which made it possible, and by unwise legislation it would be easy enough to destroy R. There will undoubtedly be periods of depression. The wave will recede, but the mill advance. This nation is scated a continent flanked by two great oceans. It is composed of men the descendants of ploneers or, in a sense, pioneers themselves—of men winnowed out from among the nations of the old world by the energy, boldness and love of adventure found in their own eager hearts. venture found in their own eager hearts. Such a nation so placed will surely wrest

Mccess from fortune.

As a people we have played a large part
a the world, and we are bent upon makag our future even larger than the past.

in particular the events of the last four years have definitely decided that for woe or for weal our place must be great among the nations. We may either fail greatly or succeed greatly, but we cannot avoid the endeavor from which either great failure or great success must come. Even if we would we cannot play a small part. If we should try, all that would follow would be that we should play a large part ignobily and shamefully.

But our people, the sons of the men of the civil war, the sons of the men who had iron in their blood, rejoice in the present and face the future high of heart and resolute of will. Ours is not the creed of the weakling and the coward; ours is the gospel of hope and of triouphant endeavor. We do not shrink from the struggis before us. There are many problems for us to face at the outset of the twentieth century—grave problems abroad and still graver at home-but we know that we can solve them, and solve them well, provided only that we bring to the solution the qualities of head and heart which were shown by the men who in the days of Washington founded this government and in the days of Lincoin preserved it.

No country has ever occupied a higher plane of material well being than ours at the present moment. This well being is fue to no sudden or accidental causes, but to the play of the economic forces in this country for over a century; to our laws, our sustained and continuous policies; above all, to the high individual average of our citizenship. Great fortunes have been won by those who have taken the lead in this phenomenal industrial development, and most of these fortunes have been won not by doing evil, but as an incident to action which has benefited the community as a whole. Never before has material well being been so widely diffused among our people. Great fortunes have been won not by doing evil, but as an incident to action which has benefited the community as a whole. Never before has material well being been so widely diffused among our people. Great fortunes apove the nown as trusts. The experience of the sast year has emphasized, in my opinion, he desirability of the steps I then proposed. A fundamental requisite of social filciency is a high standard of individual nergy and excellence, but this is in nowise inconsistent with power to act in ombination for aims which cannot so yell be achieved by the individual acting well be achieved by the individual acting done. A fundamental base of civilization s the inviolability of property; but this is a nowise inconsistent with the right of ociety to regulate the exercise of the rtificial powers which it confers upon the waters of property under the name of corrects formed the state of the confers of property of the confers of the conf orate franchises in such a way as to revent the misuse of these powers. Cororations, and especially combinations of orporations, should be managed under ublic regulation. Experience has shown hat under our system of government the secessary supervision cannot be obtained by state action. It must therefore be schieved by national action. Our aim is set to do away with corporations. On the ontrary, these big aggregations are an activated development. ontrary, these big aggregations are an nevitable development of modern industrialism, and the effort to destroy them rould be futile unless accomplished in ways that would work the utmost mishlef to the entire body politic. We can lo nothing of good in the way of regulating and supervising these corporations ntil we fix clearly in our minds that we re not attacking the corporations, but and an adverting to do away with any evil in hem. We are not hostile to them. We re merely determined that they shall be o handled as to subserve the public good. Ye draw the line against misconduct, not gainst wealth. The capitalist who, alone of in conjunction with his fellows, performs some great industrial feat by which we wins money is a welldoer, not a wrongorms some great industrial feat by which is wins money is a welldoer, not a wrongoer provided only he works in proper and legitimate lines. We wish to favor uch a man when he does well. We wish o supervise and control his actions only o prevent him from doing ill. Publicity and on o harm to the honest corporation, and we need not be overtender about paring the dishonest corporation. In curbing and regulating the combinations of capital which are or may become ajurious to the public we must be care-

In curbing and regulating the combinations of capital which are or may become alurious to the public we must be careful not to stop the great enterprises which ave legitimately reduced the cost of production, not to abandon the place which are country has won in the leadership of he international industrial world, not to trike down wealth with the result of losing factories and mines, of turning he wageworker idle in the streets and eaving the farmer without a market for that he grows. Insistence upon the impossible means delay in achieving the possible exactly as, on the other hand, the tubborn defense alike of what is good and what is had in the existing system, be resolute effort to obstruct any attempt at betterment, betrays bindness to he historic truth that wise evolution is he sure safeguard against revolution.

No more important subject can come sefore the congress than this of the regulation of interstate business. This country annot afford to sit supine on the pleathaut under our peculiar system of government we are helpless in the presence of he new conditions and anable to grapple with them or to cut out whatever of evil has arisen in connection with them. The power of the congress to regulate interstate commerce is an absolute and unqualified grant and without limitations wher than those prescribed by the constitution. The congress has constitutional authority to make all laws necessary and proper for executing this power, and I am satisfied that this power has not been exhausted by any legislation now on the statute books. It is evident, therefore, that evils restrictive of commercial freedom and entailing restraint upon national sommerce fall within the regulative power of the congress and that a wise and casonnable law would be a necessary and proper exercise of congressional authority to the end that such evils should be eradicated.

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I believe that monopolies, unjust discriminations, which prevent or cripple competition, fraudulent overcapitalization and other evils in trust organizations and

practices which injuriously affect interstate trade can be prevented under the power of the congress to "regulate commerce with foreign nations and among the several states" through regulations and requirements operating directly upon such commerce. The instrumentalities thereof and those engaged therein.

I carnestly recommend this subject to the consideration of the congress with a view to the passage of a law reasonable in its provisions and effective in its operations, upon which the questions can be finally adjudicated that now raise doubts as to the necessity of constitutional amendment. If it prove impossible to accomplish the purposes above set forth by such a law, then assuredly we should not shrink from amending the constitution so as to secure beyond peradventure the power sought.

The congress has not heretofore made any appropriation for the better enforcement of the antitrust law as it now stands. Very much has been done by the department of justice in securing the enforcement of this law, but much more could be done if congress would make a special appropriation for this purpose, to be expended under the direction of the attorney general.

One proposition advocated has been the reduction of the tariff as a means of reaching the evils of the trusts which fall within the category I have described. Not merely would this be wholly ineffective, but the diversion of our efforts in such a direction would mean the abandonment of all intelligent attempt to do away with these evils. Many of the largest corporations, many of those which should certainly be included in any proper scheme of regulation, would not be affected in the slightest degree by change in the tariff, save as such change interfered with the general prosperity of the country. The only relation of the tariff makes manufactures profitable, and the tariff such as a whole is that the tariff makes manufactures profitable, and the tariff remay proposed would be in effect simply to make manufactures unprofitable. To remove the tariff as a punitiv

structure and a part from the question of larifi revision.

Stability or frime commit peets of this country. The stability should not be fossilization. The country has a culture and the country. The stability should not be fossilization. The country has a culture and reduct that there should be violent and radical principle. It is exceedingly undesirable that this system should be destroyed or that there should be violent and radical shows that great prosperity in this country has always come under a protective tarries and the stability of the country has always come under a great prosperity in this country has always come under a great prosperity in the country has always come under a great provided in the country has always come under a great provided in the country has always come under a great provided in the country has always come under a great provided in the country has always come under a great provided in the country has always come and the country has always come under a great provided in the country has a whole. Unquestionably these together with nitty of principle as regards the tariff we combine a system whole the great provided in the country has a great provided in the country of the community. The first consideration in making these changes would, of the country has a great provided in the country has a great provided and of always allowing a great provided in the country has a great provided in the country has a great provided in the country has a great provided and the country has a great providing such careful investigation of the provided provided has a great provide

How to secure fair treatment alike for labor and for capital, how to hold decheed the unscriptious man, whether employed the unscriptious man, whether employed the unscriptious man, whether employed and cramping the industrial development of the country, is a problem fraught with great difficulties and one which it is of the highest importance to solve on lines or sanity and farsighted common sense as well as of devotion to the right. This is an era of federation and combination. Exactly as business men find they must often work through corporations, and as it is not to grow tenenture of these corporations for the control of the

creased as experience might show the need.

I hope soon to submit to the senate a reciprocity treaty with Cuba. On May 20 last the United States kept its promise to the island by formally vacating Cuban soil and turning Cuba over to those whom her own people had chosen as the first officials of the new republic.

Cuba lies at our doors, and whatever affects her for good or for ill affects us also. So much have our people felt this that in the Platt amendment we definitely took the ground that Cuba must hereafter have closer political relations with us than with any other power. Thus in a sense Cuba has become a part of our international political system. This makes it necessary that in return she should be given some of the benefits of becoming part of our economic system. It is, from our own standpoint, a shortsighted and mischlevous policy to fail to recognize this need. Moreover, it is unworthy of a mighty and generous nation, itself the greatest and most successful republic in history, to refuse to stretch out a helping hand to a young and erous nation, itself the greatest and most successful republic in history, to refuse to stretch out a helping hand to a young and weak sister republic just entering upon its career of independence. We should always fearlessly insist upon our rights in the face of the strong, and we should with ungrudging hand do our generous duty by the weak. I urge the adoption of reciprocity with Cuba not only because it is eminently for our own interests to control the Cuban market and by every means to foster our supremacy in the tropical lands and waters south of us, but also because we of the giant republic of the north should make all our sister nations of the American continent feel that whenever they will permit it we desire to show our selves disinterestedly and effectively their friend.

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should make all our sister nations of the American continent feel that whenever they will permit it we desire to show our selves disinterestedly and effectively their friend.

A convention with Great Britain has been concluded, which will be at once laid before the senate for ratification, providing for reciprocal trade arrangements between the United States and Newfoundland on substantially the lines of the convention formerly negotiated by the secretary of state, Mr. Blaine. I believe reciprocal trade relations will be greatly to the advantage of both countries.

As civilization grows warfare becomes less and less the normal condition of forcing relations. The last century has seen a marked diminution of wars between civilized powers. Wars with uncivilized powers are largely mere matters of international police duty, essential for the welfare of the world. Wherever possible arbitration or some similar method should be employed in lieu of war to settle difficulties between civilized nations, although as yet the world has not progressed sufficiently to render it possible or necessarily desirable to invoke arbitration in every case. The formation of the International tribunal which sits at The Hague is an event of good omen from which great consequences for the welfare of all mankind may flow. It is far better where possible to invoke such a permanent tribunal than to create special arbitrators for a given purpose.

It is a matter of sincere congratulation to our country that the United States and Mexico should have been the first to use the good offices of The Hague court. This was done last summer with most satisfactory results in the case of a claim at issue between us and our sister republic. It is carnestly to be hoped that this first was done last summer with most satisfactory results in the case of a claim at issue between us and our sister republic. It is carnestly to be hoped that this first case will serve as a precedent for others in which not only the United States but foreign nations may take advant

have the slightest fear of aggression from the United States. It behoeves each one to maintain order within its own borders and to discharge its just obligations to foreigners. When this is done, they can rest assured that, be they strong or weak, they have nothing to dread from outside interference. More and more the increasing interdependence and complexity of international political and economic relations render it incumbent on all civilized and orderly powers to insist on the proper policing of the world.

During the fall of Jon a communication was addressed to the secretary of state asking whether permission would be granted by the president to a corporation to lay a cable from a point on the California coast to the Philippine Islands by way of Hawali. A statement of conditions or terms upon which such corporation would undertake to lay and operate a cable was volunteered.

Inasmuch as the congress was shortly to convene and Pacific cable legislation had been the subject of consideration by the congress for several years, it seemed to me wise to defer action upon the application until the congress had first an opportunity to act. The congress adjourned without taking any action, leaving the matter in exactly the same condition in which it stood when the congress convend.

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Meanwhile it appears that the Commercial Pacific Cable company had promptly proceeded with preparations for laying its cable. It also made application to the president for access to and use of soundings taken by the United States steamship Nero for the purpose of discovering a practicable-route for a transpacific cable, the company urging that with access to these soundings it could complete its cable much sooner than if it were required to take soundings upon its own account. Pending consideration of this subject it appeared important and desirable to attach certain conditions to the permission to examine and use the soundings if it should be granted.

In consequence of this solicitation of the cable company certain conditions were formulated, upon which the president was willing to allow access to these soundings and to consent to the landing and laying of the cable, subject to any alterations or additions thereto imposed by the congress. This was deemed proper, especially as it was clear that a cable connection of some kind with China, a foreign country, was a part of the company plan. This course was, moreover, in accordance with a line of precedents, including President Grant's action in the case of the first French cable, explained to the compers, 1875, and the instance occurring in 1879 of the second French cable from Brest to St. Pierre, with a branch to Cape Cod.

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These conditions prescribed, among other things, a maximum rate for commercial messages and that the company should construct a line from the Philippine Islands to China, there being at present, as is well known, a British line from Manila to Hongkong.

The representatives of the cable company kept these conditions long under consideration, continuing in the meantime to prepare for laying the cable. They have, however, at length needed to them, and an all American line between our Pacific coast and the Chinese empire by way of Honolulu and the Philippin Islands status provided for and is expected within a few months to be ready for business. Among the conditions is one reserving the power of the congress to modify or recorditions is herewith transmitted.

On July 4 last of them. A copy of the conditions is herewith transmitted.

On July 4 last, on the one hundred and twenty-sixth anniversary of the declaration of our independence, peace and amnesty were promulgated in the Philippin Islands. Some trouble has since from time to time threatened with the Mohammedan Moros, but with the late insurrectionary Pilipinos the war has entirely ceased. Civil government has now been introduced. Not only does each Filipino enjoy such rights to life, liberty and the pursuit of happiness as he has never before known during the recorded history of the dislands, but the people, taken as a whole, now enjoy a measure of self givernment greater than that enjoyed by any other orientals by any foreign power and greater than that enjoyed by any other orientals by any foreign power and greater than that enjoyed by any other orientals by any foreign power and greater than the people, taken as a whole, now enjoy a measure of self givernment greater than that granted to any other orientals by any foreign power and greater than the people, taken as a whole, now enjoy a measure of self givernment greater than that granted to any other orientals by any foreign power and greater than that enjoyed by any other orientals under their own provided

tors as in the Philippine Islands. On the other hand, the amount of difficult, important and beneficent work which has been done is well nigh incalculable.

Taking the work of the army and the civil authorities together, it may be questioned whether anywhere else in modern times the world has seen a better example of real constructive statesmanship than our people have given in the Philippine Islands. High praise should also be given those Filipinos—in the aggregate very numerous—who have accepted the new conditions and joined with our representatives to work with hearty good will for the welfare of the Islands.

The army has been reduced to the minimum allowed by law. It is very small for the size of the nation and mest certainly should be kept at the highest point of efficiency. The senior officers are given scantchance under ordinary conditions to exercise commands commensurate with their rank under circumstances which would fit them to do their duty in time of actual war. A system of maneuvering our army in bodies of some little size has been begun and should be steadily continued. Without such maneuvers it is folly to expect that in the event of hostilities with any serious fee even a small army corps cauld be handled to advantage. Both our officers and enlisted men are such that we can take hearty pride in them. No better material can be found. But the must be thoroughly trained, both as individuals and in the mass. The marksmanship of the men must receive special attention. In the circumstances of modern warfare the man must act far more on his own individual responsibility than ever before, and the high individual efficiency of the unit is of the utmost importance. Formerly this unit was the regiment. It is now not the regiment, not even the troop or company; it is the individual soldier. Every effort must be made to develop every workmanlike and soldierly quality in both the officer and the enlisted man.

I urgently call your attention to the need of passing a bill providing for a general staff and for

fear once the crisis has actually arrived.

The striking increase in the revenues of the postoffice department shows clearly the presperity of our people and the increasing activity of the business of the country.

The receipts of the postoffice department for the fiscal year ending Jufe 20 has amounted to \$121,848,947.26, an increase of \$10,276,362.87 over the preceding year, the largest increase known in the history of the postal zervice. The magnitude of this increase will best appear from the fact that the entire postal receipts for the year 1860 amounted to but \$8,518,007.

Rural free delivery service is no longer in the experimental stage. It has become a fixed policy. The results following its introduction have fully justified the congress in the large appropriations made for its establishment and extension. The average yearly increase in postoffice receipts in the rural districts of the country is about 2 per cent. We are now able, by actual results, to show that where rural free delivery service has been established to such an extent as to enable us to make comparisons the yearly increase has been upward of 10 per cent.

On Nov. 1, 1002, 11,650 rural free delivery routes had been established and were in operation, covering about one-third of the territory of the United States available for rural free delivery service. There are now awaiting the action of the department petitions and applications for the establishment of 10,748 additional routes. This shows conclusively the want which the establishment of the aervice has met and the need of further extending it as rapidly as possible. It is justified both by the financial results and by the practical benefits to our rural population; it is frings the men who live on the soil into close relations with the active business world; it keeps the farmer in daily touch with the markets; it is a potential educational force; it enhances the value of farm property, makes farm life far pleasanter and less isolated, and will do much to check the undesirable current

a potential educational force; it enhances the value of farm property, makes farm life far pleasanter and less isolated, and will do much to cheek the undesirable current from country to city.

It is to be hoped that the congress will make liberal appropriations for the continuance of the service already established and for its further extension.

Few subjects of more importance have been taken up by the congress in recent years than the inanguration of the system of nationally aided irrigation for the arid regions of the far west. A good beginning therein has been made. Now that this policy of national irrigation has been adopted the need of thorough and scientific forest protection will grow more rapidly than ever throughout the public land states.

Legislation should be provided for the protection of the game and the wild creatures generally on the forest reserves. The senciess slaughter of game, which can by judicious protection be permanently preserved on our national reserves for the people as a whole, should be stopped at once. It is, for instance, a serious count against our national good sense to permit the present practice of butchering off such a stately and beautiful creature as the elk for its antiers or tusks.

Bo far as they are available for agriculture and to whatever extent they may be reclaimed under the national irrigation law, the remaining public lands should be held rigidly for the homebuilder, the settler who lives on his land, and for no one olse. In their actual use the deept land law, the timber and stone law and the commutation clause of the homestead Jaw have been so perverted from the intention with which they were enasted as to permit the acquisition of large areas of the public domain for other than actual settlers and the consequent prevention of settlement. Moreover, the approaching exhaustion of the public lands in the west which are suitable chiefly or only for grazing. The sound and stady development of the sweet depends upon the building up of hornes therein. Much of our pr

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sulety.

The District of Columbia is the only part of

The District of Columbia is the only part of our territory in which the national government convertises local or municipal functions and where in consequence the government has a free hand in reference to certain types of social and economic legislation which must be essentially local or municipal in their character. The government should see to it, for instance, that the hydreid and sanitary legislation affecting Washington is of a high character. The evils of alum dwellings whether in the shape of crowded and congradulatement house districts or of the back allegippe, should never be permitted to grow up in Washington. The city should be a model in every respect for all the cities of the country. The charitable and correctional systems of the District should receive consideration at the hands of the congress to the end that they may enwood the congress to the end that they may enwood the results of the most advanced thought is these fields. Moreover, while Washington is not a great industrial city, there is some industrialism here, and our labor legislation, while it would not be important in itself, might be saide a model for the rest of the nation. We should pass, for its tance, a wise employer's liability act for the District of Columbia, and we need such an act is our navy yards. Railroad companies in the District ought to be required by law to block their from.

trict of Columbia, and we need such an act in our navy yards. Railroad companies in the District ought to he required by law to block their frogs.

The safety appliance law, for the better protection of the lives and limbs of railway employees, which was passed in 1506, went into full effect on Aug. 1, 1901. It has resulted in averting thousands of casualties. Experience shows, however, the necessity of additional legislatics to perfect this law. A bill to provide for this passed the senate at the last session. It is to be acted into law.

There is a growing tendency to provide for the publication of masses of documents for which there is no public demand and for the printing of which there is no real necessity. Large numbers of volumes are turned out by the government printing presses for which there is no justification. Nothing should be printed by any of the departments unless it contains something of permanent value, and the congress could with advantage cut down very materially on all the printing which it has now become customary te provide. The excessive cost of government printing is a strong argument against the position of those whe ars inclined on abstract grounds to advocate the government's doing any work which can with prepriety be left in private hands.

Gratifying progress has been made during the year in the extension of the merit system of making appointments in the government service. It should be extended by law to the District of Calumbia. It is much to be desired that our consular systems be established by law on a basis providing for appointment and promotion only is consequence of proved fitness.

Through a wise provision of the congress at its last session the White House, which had become disfigured by incongruous additions and change, has now been restored to what it was planned to be by Washington. In making the restorations the usmost care has been experienced to come as near as possible to the early plans and to supplement these plans by a careful study of such buildings as that of

The reports of the several executive departments are submitted to the congress with this communication. THEODORE ROOSEVELT.