PRESIDENT'S ANNUAL MESSAGE TO CONGRESS

Makes Recommendations for What He Considers Important Legislation.

GAILROAD RATES FIRST TOPIC

Would Materially Increase the Powers of Interstate Commerce Commission.

LIFE INSURANCE QUESTION

Sees Good and Evil in Labor Unions --Asks for Immediate Appropriations for Panama Canal, and Promises Report of Board of Engineers and Recommendations Later --- Other Matters.

Washington, Dec. 5.—The annual mes-age of President Roosevelt was read in oth houses of congress to-day. It is a doc-ment of some 24,000 words, and con-tins recommendations for much important

subject of federal supervision of corsubject of federal supervision of cor-ions, and especially railroad corpora-is the first subject treated of by the dent, and to it he gives the greatest and of attention. After speaking of the cal prosperity of the country, and the r of the corporations for good or evil innection with the nation's prosperity, vert

ong as the finances of the nation says: is long as the finances of the nation e kept upon an honest basis, no other estion of internal economy with which econgress has the power to deal begins approach in importance the matter of deavoring to secure proper industrial nditions under which the individuals— despecially the great corporations— ing an interstate business are to act. the makers of our national constitution oyided especially that the regulation interstate commerce should come with-the sphere of the general government, is stand were even then overwhelming, it they are far stronger to-day, in view the enormous development of great siness agencies, usually corporate in s agencies, usually corporate i Experience has shown conclusive it is useless to try to get any re regulation and supervision of reat corporations by state action. iequate regulation and supervision of ease great corporations by state action. the regulation and supervision can only effectively exercised by a sovereign hose jurisdiction is coextensive with the eld of work of the corporations—that is, r the national government. I believe at this regulation and supervision can e obtained by the enactment of law by confer in fullest form such power upon e national government by a proper mendment of the constitution. It would poviously be unwise to endeavor to secure the han amendment until it is certain at the result cannot be obtained under the states have no power in he hauter at the result cannot be obtained under the constitution as it now is. The laws the congress and of the several states therto, as passed upon by the courts, ave resulted more often in showing that the states have no power in the matter and that the national government has weer; so that there at present exists very unfortunate condition of things, neder which these great corporations do-g an interstate business occupy the po-tion of subjects without a sovereign, where any state government nor the na-onal government having effective con-oil over them. Our steady alm should by legislation, cautiously and care-uly undertaken, but resolutely per-vered in, to assert the sovereignity of te national government by affirmative etton. national government by affirmative

Present Laws Inadequate.

has been a misfortune that the na-al laws on this subject have hitherto laws on this subject have hitherto of a negative or prohibitive rather an affirmative kind, and still more hey have in part sought to prohibit could not be effectively prohibited, have in part in their prohibitions inded what should be allowed and should not be allowed. It is gen-useless to try to prohibit all re-t on competition, whether this re-t be reasonable or unreasonable; there it is not useless it is generhave be reasonable or unreasonable; here it is not useless it is gener-rtful. Events have shown that it is not possible adequately to secure the enforcement of any law of this kind by incessari appeal to the courts. The de-partment of justice has for the last four years devoted more attention to the en-thorement of the anti-trust legislation than to anything else. Much has been accomplished; particularly market her than to anything else. Much has been gi been the moral effect of the prosecutions: but it is increasingly evident that there will be a very insufficient beneficial re-sult in the way of economic change. The successful prosecution of one device to evade the law immediately develops an other device to accomplish the same pur-pose. What is needed is not sweeping de prohibition of every arrangement, good the

Ing, 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 be secure to the agents of the government such supervision and regulation 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 moderation, caution and should be given to some administrative body created by the railrow of the congress. If given to the present interstate commerce commission, such commission or to a reorganized interstate commerce commission, such commission should be made unequivocally administrative. I do not believe in the government interfering with private business more the usiness. But neither do 1 believe in the government flinching from overseeing any work when it becomes the indicate the exact terms of the avier, should be catter in the sole ontain is that more to main sitting conditions with which it is found to deal. In my judg-ment the most important provision which such law should contain is that on first should be ordered in the sole of the congress to conferring upon some competent administrative upon the case being brought before it, whether a given rate prescribed by an intersting conditions with which it is found to be unreasonable and unjust, then, after full investigation of the complaint, to prescribe the limit of the complaint, to prescribe the limit is a solar to be a second to be a

if it is found to be unreasonable and unjust, then, after full investigation of the complaint, to prescribe the limit of rate beyond which it shall met be lawful to go-the maximum reason-able rate, as it is commonly called-this decision to go into effect within a reasonable time and to obtain from thence onward, subject to review by the courts. It sometimes happens at present, not that a rate is too high but that a favored shipper is given too low a rate. In such case the commis-sion would have the right to fix this already established minimum rate as the maximum; and it would need only one or two such decisions by the com-mission to cure railroad, companies of the practice of giving improper mini-mum rates. I call your attention to the fact that my proposal is not to give the commission power to initiate or originate rates generally, but to regulate a rate already fixed or origi-nated by the roads, upon complaint and after investigation. A heavy penalty should be exacted from any corporation which fails to respect an order of the commission. I regard this power to establish a maximum rate as being essential to any scheme of real reform in the matter of railway regulation. The first necessity is to secure it; and unless it is granted to the commission there is little use in touching the subject at all. **Rebates Really Blackmail.**

Rebates Really Blackmail.

Rebates Really Blackmail. Illegal transactions often occur un-der the forms of law. It has often oc-curred 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 re-duction is made in the rate to take effect immediately, the arrangement resulting to the profit of the one ship-per and the one railroad and 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 under-stand that any kind of commission paid on freight shipments, whether in this form or in the form of fletitious damages, or of a concession, a free pass, reduced passenger rate, or pay-ment of brokerage, is illegal. It is worth while considering whether it would not be wise to confer on the government the right of civil action against the beneficiary of a rebate for at least twice the value of the rebate; this would help stop what is really blackmail. Elevator allowances should be stopped, for they have now grown to such an extent that they are de-moralizing and are used as rebates. The best possible regulation of rates

to such an extent that that they are use moralizing and ne used as rebates. The best possible regulation of rates would, of course, be that regulation secured by an honest agreement among the railroads themselves to carry out the law. Such a general agreement would, for instance, at once put a stop to the efforts of any one big shipper or big railroad to dis-criminate against or secure advan-tages over some rival; and such agree-ment would make the railroads them-selves agents for enforcing the law. The power vested in the government to put a stop to agreements to the detriment, be accompanied by power to judgment, be accompanied by power to permit, under specified conditions and programment, be accompanied by power to permit, under specified conditions and careful supervision, agreements clear-ly in the interest of the public. But, in my judgment, the necessity for giving this further power is by no means as great as the necessity for giving the commission or administra-tive body the other powers I have enumerated above; and it may wall be inadvisable to attempt to vest this particular power in the commission or other administrative body until it al-rendy possesses and is exercising what I regard as by far the most important of all the powers I recommend—as in-deed the vitally important power— that to fix a given maximum rate, able time, goes into full effect, subject to review by the courts. All private car lines, industrial roads, <text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text>

<text><text><text><text><text><text><text><text><text><text><text> The labor question is treated of at con-siderable length, and in this connection the president says: There has been demand for depriving courts of the power to issue injunctions in labor disputes. Such special limita-tion 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 exer-cise of the power to call a strike by a labor leader would justify the denial of the right to strike. The remedy is to regulate the procedure by requiring the judge to give due notice to the adverse parties before granting the writ, the hear-ing to be expart if the adverse party does not appear at the time and place ordered. What is due notice must depend upon the facts of the case; it should not be used as a pretext to permit violation of law, or the jeopardizing of life or property. Of course this would not au-thorize the issuing of a restraining order or injunction in any case in which it is not already authorized by existing law. I renew the recommendation I made in my last annual message for an in-westigation by the department of com-merce and labor of general labor condi-tions, especial attention to be paid to the conditions of child labor and child labor legislation in the several states. Such an investigation should take into account the various problems with which the question of child labor is connected. It is true that these problems can be actu-ally me in most cases only by the states, themselves, but it would be well for the mation to endeavor to secure and publish comprehensive information as to the con-ditions of the labor of children in the dif-ferent states, so as to spur up those that are behindhand, and to secure approx-imately uniform legislation of a high character among the several states. In such a republic as ours the one thing that we cannot afford to neglect is the problem of turning our decent citizens. The future of the nation depends upon the citizenship of the genera

Business Methods in Departments. On the subject of "graft" in the several government departments that have been under investigation he says: At various times I have instituted investigations into the organization and conduct of the business of the ex-ecutive departments. While none of these inquiries have yet progressed for enough to warrant final conclu-sions, they have already confirmed and emphasized the general impres-ation that the organization of the de-partments is often faulty in principle and wasteful in results, while many of their business methods are anti-quated and ineficient. There is every reason why our executive govern-

state and municipal legislation for the transfer, it due to manifer the autopoint of the construction of the construction of the conditions of women in in the birth rate, has been coincident with the sale of the autopoint of the contributions to construct the several departies to receive campaign construction of works, when it is as a subject of the subject of faderal electrons.
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On the subject of faderal electrons and in this contraction of works when the sages: and moniform to fail from one works of the subject of a state and municipal legislation for the receive campaign contributions that it be made unlawful for corrections and and so clail life of the nation at the sages: and more works, and in this contributions to forbidden by law; the adjustment to factory conditions of the states of states. State and so clail life of the nation disturbance in the the state is a social guestion for the transfer, of the states of the states of the states of the states of the state of the states of th

further its aims. We assume that identical is an inserved assume that an identical governments will support the movement, and that the conference is now an assured fact. This government will do everything in its power to secure the success of the conference to the end that substantial progress may be made the success of the conference to made that substantial progress may be made in the cause of international peace, jusconclusion of this subject he In the

The ties and good will. In the conclusion of this subject he says: I have dwelt much on the dangers to be avoided by steering clear of any mere foolish sentimentality because my wish for peace is so genuine and earnest: because I have a real and great desire that this second Hague conference may mark a long stride forward in the direction of securing the peace of justice throughout the world. No object is better worthy the attention of enlightened statesmanship than the establishment of a surer method than now exists of securing justice as between nations, both for the protection of the little nations and for the prevention of war between the big nations. To this aim we should endeavor not only to avert bloodshed, but, above all, effectively to strengthen the forces of right. The Golden Rule should be, and as the world grows in morality it will be, the guidre rule of conduct among nations as among individuals; though the Golden Rule must not be construed, in fantastic manner, as forbidding the exercise of the police power. This mighty and free republic should ever deal with all other states, great or small, on a basis of high honor, respecting their rights as jealously as it safeguards its own. The Monroe Doctrine receives

rights as jealously as it safeguards its own. The Monroe Doctrine receives lengthy consideration, as does also the appeal of Santo Domingo for assist-ance which the president believes it is our duty to give. The treating of the subject of the army and navy the president favors a change in the method of promotion. He would promote officers on merit instead of by seniority, believing that this method would be conducive to bet-ter efficiency than the one now in vogue. He also recommends an in-crease in the coast artillery; the gar-risoning of considerable bodies of troops at one place, and for an in-crease and reorganization of the med-ical service in both the army and navy. navy.

Naturalization Laws.

Naturalization Laws. Legislation in line with the recommenda-tions of the naturalization commission ap-pointed by the president last March is asked for. These recommendations are given as follows: First. A federal bureau of naturaliza-tion, to be established in the department of commerce and labor, to supervise the administration of the naturalization laws and to receive returns of naturalizations pending and accomplished. Second. Uniformity of naturalization certificates, fees to be charged, and pro-cedure.

Third. More exacting qualifications for

Third. More exacting qualifications for citizenship. Fourth. The preliminary declaration of intention to be abolished and no alien to be naturalized until at least 90 days after tha filing of his petition. Fifth. Jurisdiction to naturalize aliens to be confined to United States district courts and to such state courts as have jurisdiction in civil actions in which the amount in controversy is unlimited; in cities of over 190,000 inhabitants the United States district courts to have ex-clusive jurisdiction in the naturalization of the alien residents of such cities. **Public Land Laws.**

Public Land Laws.

Public Land Laws. Recommendations for changes in the pub-lle land laws are made, and in this connec-tion the president says: The creation of small irrigated farms under the reelamation act is a powerful offset to the tendency of cer-tain other laws to foster or permit monopoly of the land. Under that act the construction of great irrigation works has been proceeding rapidly and successfully, the lands reclaimed are

monopoly of the land. Under that act the construction of great irrigation works has been proceeding rapidly and successfully, the lands reclaimed are eagerly taken up, and the prospect that the policy of national irrigation will accomplish all that was expected of it is bright. The act should be ex-tended to include the state of Texas. The reclamation act derives much of its value from the fact that it tends to secure the greatest possible num-ber of homes on the land, and to cre-ate communities of freeholders, in part by settlement on public land, in part by settlement on public land, in part by forcing the subdivision of large private holdings before they can get water from, government irrigation works. The law requires that no right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one land owner. This provision thas excited ac-tive and powerful hostility, but the success of the law itself depends on the wise and firm enforcement of it. We cannot afford to substitute temants for freeholders on the public domain. The greater part of the remaining public lands cannot be irrigated.

not be the least danger that any vision would result in any relaxation of the law about laborers. These will, under all conditions, be kept out absolutely. But it will be more easy to see that both justice and courtesy are shown, as they ought to be shown, to other Chinese, if the law or treaty is framed as above suggested. Ex-minations should be completed at the case. aminations should be completed. Ex-aminations should be completed at the port of departure from China. For this purpose there should be provided a more adequate consular service in China than we now have. The appropriations, both for the offices of the consuls and for the office have. The appropriations, both for the offices of the consuls and for the office forces in the consulates, should be increased.

Insular Possessions.

forces in the consulates, should be in-creased. Insular Possessions. He treats at considerable length of condi-tions in the Philippines, and recommends that the constwise laws of the United States as applied to the archipelago be sus-pended until July 1, 1909. He recommends the immediate fortification of Hawaii in order to conserve the interests of this coun-try in the Pacific. He also advocates the adoption of legislation that will explicitly confer American citizenship on the people of Porto Rico, and on the general subject of insular affairs says: I wish also to call the attention of the congress to one question which affects our insular possessions generally; namely, the need of an increased liberality in the treat-ment of the whole franchise question in these islands. In the proper desire to pre-vent the islands being exploited by specula-tors and to have them develop in the inter-est of their own people an error has been made in refusing to grant sufficiently lib-eral terms to induce the investment of American capital in the Philippines and in Porto Rico. Elsewhere in this message I have spoken strongly against the jealousy of mere wealth, and especially of cor-porate wealth as such. But it is particular-ly regrettable to allow any such jealousy to be developed when we are dealing either with our insular or with foreign affairs. The big corporation has achieved its pres-ent position in the business world simply because it is the most effective instrument in business competition. In foreign affairs advantage with their competitors by in any way discriminating against the efficiency of our business organizations. In the same way we cannot afford to allow our insular possessions to lag behind in industrial de-velopment from any twisted jealousy of our business constantions. In the same way we cannot afford to allow our insular possessions to lag behind in industrial deway we cannot alloro to allow our insulin possessions to hag behind in industrial de-velopment from any twisted jealousy of business success. It is, of course, a mere truism to say that the business interests of the Islands will only be developed if it be-come the financial interest of somebody to develop them. Yet this development is one of the things most earnestly to be wished for in the interest of the Islands themselves. We have been paying al possible heed to the political and educal onal interests of the Islands, but, important though these ob-jects are, it is not less important that we should favor their industrial development. The government can in certain ways heip this directly, as by building good roads; but the fundamental and vital help must be given through the development of the industries of the islands, and a most effi-cient mens to this end is to encourage big American corporations to start industries essions to lag behind in industria clent means to this end is to encourage big American corporations to start industries in them and this means to make it advan-tageous for them to do so. To limit the ownership of mining claims as has been done in the Philippines is absurd. In treating of Alaska he asks that that'-territory be granted an elective delegate to congress, and of the territories of Okia-homa, Indian territory, New Mexico and Arizona he says:

Admission to Statehood.

Admission to Statchood. I recommend that Indian territory and Oklahoma be admitted as one state and that New Mexico and Arizona be admitted as one state. There is no obligation upon up to treat territorial subdivisions, which ing us on the question of admission to state-hood. Nothing has taken up more time in than the question as to the statchood to be granted to the four territories above mentioned, and after careful consideration of all that has been developed in the dis-tibes of the question I recommend that they be immediately admitted as two states. There is no justification for further delay and the advisability of making the states. There is no justification for further delay in the duest for a states has been clearly established. In some of the territories the legislative ambiling issue ilcenses for gambiling the congress should by law forbid this provide the advisor. In the Ranama Canal.

The Panama Canal.

The Panama Canal. He refers to the Panama canal, but aside from asking for an immediate appropria-tion does not give any recommendations as to other legislation at this time, but prom-ises a later communication which shall con-tain the report of the board of engineers and his own conclusions as to the type of canal. On this subject he says: The American people is pledged to the speedlest possible construction of a canal adequate to meet the demands which the commerce of the world will make upon it, and I appeal most earnestly to the con-gress to aid in the fulfillment of the pledge. Gratifying progress has been made during the past year and especially during the past four months. The greater part of the nee-essary preliminary work has been done. assary preliminary work has been done. Actual work of excavation could be begun only on a limited scale till the Canal Zore was made a healthful place to live in and was made a healthful place to live in and to work in. The isthmus had to be sanitat-ed first. This task has been so thoroughly accomplished that yellow fever has been virtually extirpated from the isthmus and general health conditions vasily improved. The same methods which converted the Island of Cuba from a pest hole, which menaced the health of the world, into a healthful place of abode, have been applied on the isthmus with satisfactory results. There is no reason to doubt that when the plans for watter supply, paving and sewer-age of Panama and Colon and the large labor camps have been fully carried out, the isthmus will be, for the tropics, an un-usually healthy place of abode. The work usually healthy place of abode. The work is so far advanced now that the health of all those employed in canal work is as well guarded as it is on similar work in this country and elsewhere. guarded as it is on similar work in this country and elsewhere. In addition to sanitating the isthmus, satisfactory quarters are being provided for employes and an adequate system of supplying them with wholesome food at reasonable prices has been created. Hos-pitals have been established and equipped that are without superiors of their kind anywhere. The country has thus been made for the weifare and comfort of those who are to do the work. During the past year a large portion of the plant with which the work is to be done has been or-dered. It is confidently believed that by the middle of the approaching year a suff-cient proportion of this plant will have been installed to enable us to resume the work of excavation on a large scale. What is needed now and without delay is an appropriation by the congress to meet the unreaded of the second second second commission. The first appropriation of \$10,000,000,000 out of the \$155,000,000 authorized by the Spooner act, was made three years ago. It is nearly exhausted. There is barely enough of it remaining to carry the commission to the end of the year. Unless the congress shall appropriate before that time all work must cease. To arrest prog-ress for any length of time now, when mat-ters are advancing so satisfactorily, would be deplorable. There will be no money with which to meet pay-roll obligations and ress for any length of time now, when mat-ters are advancing so satisfactorily, would be deplorable. There will be no money with which to meet pay-roll obligations and none with which to meet bills coming due for materials and supplies; and there will be demoralization of the forces, here had on the isthmus, now working so harmoniously and effectively. If there is dealy in grant-ing an emergency appropriation. The message closes with a recommenda-tion for more adequate provision for the work of the state department, and a read-justment of the satary list of our diplomatic officers.

also a third party-the general public. Every considerable labor difficulty in which interstate commerce is involved should be investigated by the govern-ment and the facts officially reported to the public.

quated and inefficient. There is every reason why our executive govern-mental 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. To make it so is a task of complex detail and es-sentially executive in its nature; prob-ably no legislative body, no matter how wise and able, could undertake it with reasonable prospect of success. I recommend that the congress con-sider this subject with a view to pro-

The Hague conference and the sub-fect of arbitration generally is treated of at considerable length, and in this connection an explanation is given of this government's connection with the coming conference in the following

it is proposed to apply the grazing homestead. To establish universally any such arbitrary limit would be un-wise at the present time. It would probably result on the one hand in enlarging the holdings of some of the great land owners, and on the other in needless suffering and failure on the part of a very considerable pro-portion of the bona fide settlers who give faith to the implied assurance of the government that such an area is sufficient. The best use of the public grazing lands requires the careful ex-amination and classification of these lands in order to give each settler land enough to support his family and no more. While this work is being done, and until the lands are settled, the government should take control of the open range, under reasonable reg-ulations suited to local needs, follow-ing the general policy already in sue-cessful operation on the forest re-serves. It is probable that the present grazing value of the open public range is scarcely more than half what it once was or what it might easily be again under careful regulation. The Immigration Guestion.