TAFT'S MESSAGE IS SENT TO CONGRESS

Currency Reform, Waterways, Creation of Body to Deal With Interstate Commerce and Other Topics Handled.

Government Expenditures and Revenues a Most Important Question —Relations with Other Nations, Nicaragua Excepted, Are Declared To Be Generally Satisfactory.

Washington, Dec. 7.—The president to-day transmitted to congress a message substantially as follows:

To the Senate and House of Representatives:

The relations of the United States with all foreign governments have continued upon the normal basis of amity and good understanding, and are very generally satisfactory.

Europe.

Pursuant to the provisions of the general treaty of arbitration concluded between the United States and Great Britain, April 4, 1908, a special agreement was entered into between the two countries on January 27, 1909, for the submission of questions relating to the fisheries on the North Atlantic coast to a tribunal to be formed from members of the permanent court of arbitration at The Hague.

In accordance with the provisions of the special agreement the printed case of each government was, on October 4 last, submitted to the other and to the arbitral tribunal at The Hague, and the counter case of the United States is now in course of preparation.

The American rights under the fisheries article of the treaty of 1818 have been a cause of difference between the United States and Great Britain for nearly 70 years. The interests involved are of great importance to the American fishing industry, and the final settlement of the controversy will remove a source of constant irritation and complaint. This is the first case involving such great international questions which has been submitted to the permanent court of arbitration at The Hague.

The president tells of the sending of a commission to investigate the interests of the United States and its citizens in Liberia, the commission's report now being under examination by the department of state.

He also notes the invitation extended by the Norwegian government to take part in an international conference next year to devise means to remedy existing conditions in the Spitzbergen islands, and of its acceptance under certain reservations. Mention is made of several international conferences, and then the president urges that provision be made for American participation in the world's fair at Brussels next year. The questions arising out of the Belgian annexation of the Congo Free State, he says, are in a more hopeful stage.

Latin America.

The message speaks with enthusiasm of the settlement of the boundary dispute between Bolivia and Peru, and of the fourth Pan-American conference, to be held in Buenos Aires next July. Mention is made of the Argentine republic's great international agricultural exhibition, which is to open in May, 1910, and the president continues:

To-day, more than ever before, American capital is seeking investment in foreign countries and American products are more and more generally seeking foreign markets. As a consequence, in all countries there are American citizens and American interests to be protected, on occasion, by their government. These movements of men, of capital and of commodities bring peoples and governments closer together and so form bonds of peace and mutual dependency, as they must also naturally sometimes make passing points of friction. The resultant situation inevitably imposes upon this government vastly increased responsibilities. This administration, through the department of state and the foreign service, is lending all proper support to legitimate and beneficial American enterprises in foreign countries, the degree of such support being measured by the national advantages to be expected. A citizen himself cannot by contract or otherwise divest himself of the right, nor can this government escape the obligation of his protection in his personal and property rights when these are unjustly infringed in a foreign country. To avoid ceaseless vexations it is proper that in considering whether American enterprise should be encouraged or supported in a particular country, the government should give full weight not only to the national, as opposed to the individual benefits to accrue, but also to the fact whether or not the government of the country in question is in its administration and in its diplomacy faithful to the principles of moderation, equity and justice upon which alone depend international credit, in diplomacy as well as in finance.

The Pan-American policy of this government has long been fixed in its principles and remains unchanged. With the changed circumstances of the United States and of the republics to the south of us, most of which have great natural resources, stable government and progressive ideals, the apprehension which gave rise to the Monroe doctrine may be said to have nearly disappeared and neither the doctrine as it exists nor any other doctrine of American policy should be permitted to operate for the perpetuation of irresponsible government, the escape of just obligations or the insidious allegation of dominating ambitions on the part of the United States.

Beside the fundamental doctrines of our Pan-American policy there have grown up a realization of political interests, community of institutions and ideals and a flourishing commerce. All these bonds will be greatly strengthened as time goes on and increased facilities, such as the great bank soon to be established in Latin America, supply the means for building up the colossal intercontinental commerce of the future.

My meeting with President Diaz and the greeting exchanged on both American and Mexican soil served, I hope, to signalize the close and cordial relations which so well bind together this republic and the great republic immediately to the south, between which there is so vast a network of material interests.

I am happy to say that all but one of the cases which for so long vexed our relations with Venezuela have been settled within the past few months and that, under the enlightened regime now directing the government of Venezuela, provision has been made for arbitration of the remaining case before The Hague tribunal.

On July 30, 1909, the government of Panama agreed, after considerable negotiation, to indemnify the relatives of the American officers and sailors who were brutally treated, one of them having, indeed, been killed by the Panama police this year.

The sincere desire of the government of Panama to do away with a situation where such an accident could occur is manifest in the recent request in compliance with which this government has lent the services of an officer of the army to be employed by the government of Panama as instructor of police.

This government was obliged to intervene diplomatically to bring about arbitration or settlement of the claim of the Emery Company against Nicaragua, which it had long before been agreed should be arbitrated. A settlement of this troublesome case was reached by the signature of a protocol on September 18, 1909.

Many years ago diplomatic intervention became necessary to the protection of the interests in the American claim of Alsop & Co. against the government of Chile. The government of Chile had frequently admitted obligation in the case and had promised this government to settle it. There had been two abortive attempts to do so through arbitral commissions, which failed through lack of jurisdiction. Now, happily, as the result of the recent diplomatic negotiations, the governments of the United States and of Chile, actuated by the sincere desire to free from any strain those cordial and friendly relations upon which both set such store, have agreed by a protocol to submit the controversy to definitive settlement by his Britannic majesty, Edward VII.

Since the Washington conventions of 1907 were communicated to the government of the United States as a consulting and advisory party, this government has been almost continuously called upon by one or another, and in turn by all of the five Central American republics, to exert itself for the maintenance of the conventions. Nearly every complaint has been against the Zelaya government of Nicaragua, which has kept Central America in constant tension and turmoil. The responses made to the representations of Central American republics, as due from the United States on account of its relation to the Washington conventions, have been at all times conservative and have avoided, so far as possible, any semblance of interference, although it is very apparent that the considerations of geographic proximity to the Canal Zone and of the very substantial American interests in Central America give to the United States a special position in the zone of these republics and the Caribbean sea.

I need not rehearse here the patient efforts of this government to promote peace and welfare among these republics, efforts which are fully appreciated by the majority of them, who are loyal to their true interests. It would be no less unnecessary to rehearse here the sad tale of unspeakable barbarities and oppression alleged to have been committed by the Zelaya government. Recently two Americans were put to death by order of President Zelaya himself. They were officers in the organized forces of a revolution which had continued many weeks and was in control of about half of the republic, and as such, according to the modern enlightened practice of civilized nations, they were entitled to be dealt with as prisoners of war.

At the date when this message is printed this government has terminated diplomatic relations with the Zelaya government, for reasons made public in a communication to the former Nicaragua charge d'affaires, and is intending to take such future steps as may be found most consistent with its dignity, its duty to American interests and its moral obligations to Central America and to civilization.

The Far East.

In the far east this government preserves unchanged its policy of supporting the principle of equality of opportunity and scrupulous respect for the integrity of the Chinese empire, to which policy are pledged the interested powers of both east and west.

Mention is made of the sending of students to America by the Chinese government, of China's progress toward the eradication of the opium evil, and of this government's continued cordial relations with the Japanese empire.

The Department of State.

Favorable action by congress on the estimates submitted by the department of state is urged, especially legislation for the development and reorganization of the department to make it efficient in furthering our foreign trade. Improvement in the consular service is noted. Mr. Taft then says:

Under a provision of the act of August 5, 1909, I have appointed three officials to assist the officers of the government in collecting information necessary to a wise administration of the tariff act of August 5, 1909. As to questions of customs administration they are cooperating with the officials of the treasury department and as to matters of the needs and the exigencies of our manufacturers and exporters, with the department of commerce and labor, in its relation to the domestic aspect of the subject of foreign commerce. In the study of foreign tariff treatment they will assist the bureau of trade relations of the department of state. It is hoped thus to co-ordinate and bring to bear upon this most important subject all the agencies of the government which can contribute anything to its efficient handling.

As a consequence of Section 2 of the tariff act of August 5, 1909, it becomes the duty of the secretary of state to conduct as diplomatic business all the negotiations necessary to place him in a position to advise me as to whether or not a particular country unduly discriminates against the United States in the sense of the statute referred to. The great scope and complexity of this work, as well as the obligation to lend all proper aid to our expanding commerce, is met by the expansion of the bureau of trade relations as set forth in the estimates for the department of state.

Government Expenditures and Revenues.

Perhaps the most important question presented to this administration is that of economy in expenditures and sufficiency of revenue. The deficit of the last fiscal year, and the certain deficit of the current year, prompted congress to throw a greater responsibility on the executive and the secretary of the treasury than had heretofore been declared by statute. This declaration imposes upon the secretary of the treasury the duty of assembling all the estimates of the executive departments bureaus, and offices, of the expenditures necessary in the ensuing fiscal year, and of making an estimate of the revenues of the government for the same period; and if a probable deficit is thus shown, it is made the duty of the president to recommend the method by which such deficit can be met.

The report of the secretary shows that the ordinary expenditures for the current fiscal year ending June 30, 1910, will exceed the estimated receipts by $34,075,620. If to this deficit is added the sum to be disbursed for the Panama Canal, amounting to $38,000,000, and $1,000,000 to be paid on the public debt, the deficit of ordinary receipts and expenditures will be increased to a total deficit of $73,075,620. This deficit the secretary proposes to meet by the proceeds of bonds issued to pay the cost of constructing the Panama Canal. I approve this proposal.

The policy of paying for the construction of the Panama Canal, not out of current revenue, but by bond issues, was adopted in the Spooner act of 1890, and there seems to be no good reason for departing from the principle by which a part at least of the burden of the cost of the canal shall fall upon our posterity who are to enjoy it; and there is all the more reason for this view because the actual cost to date of the canal, which is now half done and which will be completed anuary 1, 1915, shows that the cost of engineering and construction will be $297,766,000, instead of $139,705,200, as originally estimated. In addition to engineering and construction, the other expenses, including sanitation and government, and the amount paid for the properties, the franchise, and the privilege of building the canal, increase the cost of $75,435,000, to a total of $375,201,000. The increase in the cost of engineering and construction is due to a substantial enlargement of the plan of construction by widening the canal 100 feet in the Culebra cut and by increasing the dimensions of the locks, to the underestimate of the quantity of the work to be done under the original plan, and to an underestimate of the cost of labor and materials, both of which have greatly enhanced in price since the original estimmate was made.

In order to avoid a deficit for the ensuing fiscal year, I directed the heads of departments in the preparation of their estimates to make them as low as possible consistent with imperative governmental necessity. The result has been, as I am advised by the secretary of the treasury, that the estimates for the expenses of the government for the next fiscal year ending June 30, 1911, are less than the appropriations for this current fiscal year by $42,818,000. So far as the secretary of the treasury is able to form a judgment as to future income and compare it with the expenditures for the next fiscal year ending June 30, 1911, and excluding payments on account of the Panama Canal, which will doubtless be taken up by bonds, there will be a surplus of $35,931,000.

In the present estimates the needs of the departments and of the government have been cut to the quick, so to speak, and any assumption on the part of congress, so often made in times past, that the estimates have been prepared with the expectation that they may be reduced, will result in seriously hampering proper administration.

To reduce the cost of permanent administration, says the president, a thorough reorganization of bureaus, offices and departments would be necessary. An expert accountant has been making an investigation into this matter and the result of his work shows opportunity for both substantial reductions in cost and increase of efficiency.

Frauds in the Collection of Customs.

I regret to refer to the fact of the discovery of extensive frauds in the collection of the customs revenue at New York city, in which a number of the subordinate employes in the weighing and other departments were directly concerned, and in which the beneficiaries were the American Sugar Refining Company and others. The frauds consisted in the payment of duty on underweights of sugar. The government has recovered from the American Sugar Refining Company all that it is shown to have been defrauded of. The sum was received in full of the amount due, which might have been recovered by civil suit against the beneficiary of the fraud, but there was an express reservation in the contract of settlement by which the settlement should not interfere with, or prevent the criminal prosecution of everyone who was found to be subject to the same.

Criminal prosecutions are now proceeding against a number of the government officers. The treasury department and the department of justice are exerting every effort to discover all the wrongdoers, including the officers and employes of the companies who may have been privy to the fraud. It would seem to me that an investigation of the frauds by congress at present, pending the probing by the treasury department and the department of justice, as proposed, might by giving immunity and otherwise prove an embarrassment in securing conviction of the guilty parties.

Maximum and Minimum Clause in Tariff Act.

Two features of the new tariff act call for special reference. By virtue of the clause known as the "maximum and minimum" clause, it is the duty of the executive to consider the laws and practices of other countries with reference to the importation into those countries of the products and merchandise of the United States, and if the executive finds such laws and practices not to be unduly discriminatory against the United States, the minimum duties provided in the bill are to go into force. Unless the president makes such a finding, then the maximum duties provided in the bill, that is, an increase of 25 per cent. ad valorem over the minimum duties, are to be in force. Fear has been expressed that this power conferred and duty imposed on the executive is likely to lead to a tariff war. I beg to express the hope and belief that no such result need be anticipated.

The discretion granted to the executive by the terms "unduly discriminatory" is wide. In order that the maximum duty shall be charged against the imports from a country, it is necessary that he shall find on the part of that country not only discriminations in its laws or the practice under them against the trade of the United States, but that the discriminations found shall be undue; that is, without good and fair reason. I conceive that this power was reposed in the president with the hope that the maximum duties might never be applied in any case, but that the power to apply them would enable the president and the state department through friendly negotiation to secure the elimination from the laws and the practice under them of any foreign country of that which is unduly discriminatory. No one is seeking a tariff war or a condition in which the spirit of retaliation shall be aroused.

The new tariff law enables me to appoint a tariff board to assist me in connection with the department of state in the administration of the minimum and maximum clause of the act and also to assist officers of the government in the administration of the entire law. An examination of the law and an understanding of the nature of the facts which should be considered in discharging the functions imposed upon the executive show that I have the power to direct the tariff board to make a comprehensive glossary and encyclopedia of the terms used and articles embraced in the tariff law, and to secure information as to the cost of production of such goods in this country and the cost of their production in foreign countries. I have therefore appointed a tariff board consisting of three members and have directed them to perform all the duties above described. This work will perhaps take two or three years, and I ask from congress a continuing annual appropriation equal to that already made for its prosecution. I believe that the work of this board will be of prime utility and importance whenever congress shall deem it wise again to readjust the customs duties. If the facts secured by the tariff board are of such a character as to show generally that the rates of duties imposed by the present tariff law are excessive under the principles of protection as described in the platform of the successful party at the late election, I shall not hesitate to invite the attention of congress to this fact and to the necessity for action predicated thereon. Nothing, however, halts business and interferes with the course of prosperity so much as the threatened revision of the tariff, and until the facts are at hand, after careful and deliberate investigation, upon which such revision can properly be undertaken, it seems to me unwise to attempt it. The amount of misinformation that creeps into arguments pro and con in respect to tariff rates is such as to require the kind of investigation that I have directed the tariff board to make, an investigation undertaken by it wholly without respect to the effect which the facts may have in calling for a readjustment of the rates of duty.

War Department.

In the interest of immediate economy and because of the prospect of a deficit, I have required a reduction in the estimates of the war department for the coming fiscal year, which brings the total estimates down to an amount forty-five millions less than the corresponding estimates for last year. This could only be accomplished by cutting off new projects and suspending for the period of one year all progress in military matters. For the same reason I have directed that the army shall not be recruited up to its present authorized strength. These measures can hardly be more than temporary—to last until our revenues are in better condition and until the whole question of the expediency of adopting a definite military policy can be submitted to congress, for I am sure that the interests of the military establishment are seriously in need of careful consideration by congress. The laws regulating the organization of our armed forces in the event of war need to be revised in order that the organization can be modified so as to produce a force which would be more consistently apportioned throughout its numerous branches. To explain the circumstances upon which this opinion is based would necessitate a lengthy discussion, and I postpone it until the first convenient opportunity shall arise to send to congress a special message upon this subject.

Of the changes recommended by the secretary of war, the president especially urges the passage of a bill that will permit the elimination of the less efficient officers. He concurs in the opinion of the military and naval joint board in favor of making an extensive naval base at Pearl Harbor, near Honolulu, and not in the Philippines.

The Navy.

The return of the battleship fleet from its voyage around the world, in more efficient condition than when it started, was a noteworthy event of interest alike to our citizens and the naval authorities of the world. Besides the beneficial and far-reaching effect on our personal and diplomatic relations in the countries which the fleet visited, the marked success of the ships in steaming around the world in all weathers on schedule time has increased respect for our navy and has added to our national prestige.

Early in the coming session a comprehensive plan for the reorganization of the officers of all corps of the navy will be presented to congress, and I hope it will meet with action suited to its urgency.

Owing to the necessity for economy in expenditures, I have directed the curtailment of recommendations for naval appropriations so that they are thirty-eight millions less than the corresponding estimates of last year, and the request for new naval construction is limited to two first-class battleships and one repair vessel.

Mr. Taft urges upon congress that the naval observatory be dedicated to science under control of some eminent astronomer.

Expedition in Legal Procedure.

The deplorable delays in the administration of civil and criminal law have received the attention of committees of the American Bar association and of many state bar associations, as well as the considered thought of judges and jurists. In my judgment a change in judicial procedure, with a view to reducing its expense to private litigants in civil cases and facilitating the dispatch of business and final decision in both civil and criminal cases constitutes the greatest need in our American institutions. I do not doubt for one moment that much of the lawless violence and cruelty exhibited in lynchings is directly due to the uncertainties and injustice growing out of the delays in trials, judgments and the executions thereof by our courts. Of course these remarks apply quite as well to the administration of justice in state courts as to that in federal courts, and without making invidious distinction it is perhaps not too much to say that, speaking generally, the defects are less in the federal courts than in the state courts. But they are very great in the federal courts. The expedition with which business is disposed of both on the civil and the criminal side of English courts under modern rules of procedure makes the delays in our courts seem archaic and barbarous. The procedure in the federal courts should furnish an example for the state courts. I presume it is impossible, without an amendment to the constitution, to unite under one form of action the proceedings at common law and proceedings in equity in the federal courts, but it is certainly not impossible by a statute to simplify and make short and direct the procedure both at law and in equity in those courts. It is not impossible to cut down still more than it is cut down, the jurisdiction of the supreme court, so as to confine it almost wholly to statutory and constitutional questions. Under the present statutes the equity and admiralty procedure in the federal courts is under the control of the supreme court, but in the pressure of business to which that court is subjected it is impossible to hope that a radical and proper reform of the federal equity procedure can be brought about. I therefore recommend legislation providing for the appointment by the president of a commission with authority to examine the law and equity procedure of the federal courts of first instance, the law of appeals from those courts to the courts of appeals and to the supreme court, and the costs imposed in such procedure upon the private litigants and upon the public treasury and make recommendations with a view to simplifying and expediting the procedure as far as possible and making it as inexpensive as may be to the litigant of little means.

Injunctions Without Notice.

The platform of the successful party in the last election contained the following: "The Republican party will uphold at all times the authority and integrity of the courts, state and federal, and will ever insist that their powers to enforce their process and to protect life, liberty and property shall be preserved inviolate. We believe, however, that the rules of procedure in the federal courts with respect to the issuance of the writ of injunction should be more accurately defined by statute and that no injunction or temporary restraining order should be issued without notice, except where irreparable injury would result from delay, in which case a speedy hearing thereafter should be granted."

I recommend that in compliance with the promise thus made appropriate legislation be adopted. The ends of justice will best be met and the chief cause of complaint against ill-considered injunctions without notice will be removed by the enactment of a statute forbidding hereafter the issuing of any injunction or restraining order, whether temporary or permanent, by any federal court, without previous notice and a reasonable opportunity to be heard on behalf of the parties to be enjoined; unless it shall appear to the satisfaction of the court that the delay necessary to give such notice and hearing would result in irreparable injury to the complainant and unless also the court shall from the evidence make a written finding, which shall be spread upon the court minutes, that immediate and irreparable injury is likely to ensue to the complainant, and shall define the injury, state why it is irreparable and shall also indorse on the order issued the date and the hour of the issuance of the order. Moreover, every such injunction or restraining order issued without previous notice and opportunity by the defendant to be hard should by force of the statute expire and be of no effect after seven days from the issuance thereof or within any time less than that period which the court may fix, unless within such seven days or such less period the injunction or order is extended or renewed after previous notice and opportunity to be heard.

My judgment is that the passage of such an act which really embodies the best practice in equity and is very like the rule now in force in some courts will prevent the issuing of ill-advised orders of injunction without notice and will render such orders when issued much less objectionable by the short time in which they may remain effective.

New Laws Needed.

The jurisdiction of the general government over interstate commerce has led to the passage of the so-called "Sherman anti-trust law" and the "interstate commerce law" and its amendments. The developments in the operation of those laws, as shown by indictments, trials, judicial decisions, and other sources of information, call for a discussion and some suggestions as to amendments. These I prefer to embody in a special message instead of including them in the present communication, and I shall avail myself of the first convenient opportunity to bring these subjects to the attention of congress.

Second-Class Mail Matter.

The deficit every year in the post-office department is largely caused by the low rate of postage of 1 cent a pound charged on second-class mail matter, which includes not only newspapers but magazines and miscellaneous periodicals. The actual loss growing out of the transmission of this second-class mail matter at 1 cent a pound amounts to about $63,000,000 a year. The average cost of the transportation of this matter is more than 9 cents a pound.

It appears that the average distance over which newspapers are delivered to their customers is 291 miles, while the average haul of magazines is 1,049, and of miscellaneous periodicals 1,128 miles. Thus, the average haul of the magazine is three and one-half times and that of the miscellaneous periodical nearly four times the haul of the daily newspaper, yet all of them pay the same postage rate of 1 cent a pound. The statistics of 1907 show that second-class mail matter constituted 63.91 per cent of the weight of all the mail, and yielded only 5.19 per cent of the revenue.

The figures given are startling, and show the payment by the government of an enormous subsidy to the newspapers, magazines and periodicals, and congress may well consider whether radical steps should not be taken to reduce the deficit in the post-office department caused by this discrepancy between the actual cost of transportation and the compensation exacted therefor.

A great saving might be made, amounting to much more than half of the loss, by imposing upon magazines and periodicals a higher rate of postage. They are much heavier than newspapers, and contain a much higher proportion of advertising to reading matter, and the average distance of their transportation is three and a half times as great.

The total deficit for the last fiscal year in the postoffice department amounted to $17,500,000. The branches of its business which it did at a loss were the second-class mail service, in which the loss, as already said, was $63,000,000, and the free rural delivery in which the loss was $28,000,000. These losses were in part offset by the profits of the letter postage and other sources of income. It would seem wise to reduce the loss upon second-class mail matter, at least to the extent of preventing a deficit in the total operations of the post-office.

I commend the whole subject to congress, not unmindful of the spread of intelligence which a low charge for carrying newspapers and periodicals assists. I very much doubt, however, the wisdom of a policy which constitutes so large a subsidy and requires additional taxation to meet it.

Postal Savings Banks.

The second subject worthy of mention in the postoffice department is the real necessity and entire practicability of establishing postal savings banks. The successful party at the last election declared in favor of postal savings banks, and although the proposition finds opponents in many parts of the country, I am convinced that the people desire such banks, and am sure that when the banks are furnished they will be productive of the utmost good. The postal savings banks are not constituted for the purpose of creating competition with other banks. The rate of interest upon deposits to which they would be limited would be so small as to prevent their drawing deposits away from other banks.

I believe them to be necessary in order to offer a proper inducement to thrift and saving to a great many people of small means who do not now have banking facilities, and to whom such a system would offer an opportunity for the accumulation of capital. They will furnish a satisfactory substitute, based on sound principle and actual successful trial in nearly all the countries of the world, for the system of government guaranty of deposits now being adopted in several western states, which with deference to those who advocate it seems to me to have in it the seeds of demoralization to conservative banking and certain financial disaster.

Ship Subsidy.

Following the course of my distinguished predecessor, I earnestly recommend to congress the consideration and passage of a ship subsidy bill, looking to the establishment of lines between our Atlantic seaboard and the eastern coast of South America, as well as lines from the west coast of the United States to South America, China, Japan and the Philippines. The profits on foreign mails are perhaps a sufficient measure of the expenditures which might first be tentatively applied to this method of inducing American capital to undertake the establishment of American lines of steamships in those directions in which we now feel it most important that we should have means of transportation controlled in the interest of the expansion of our trade.

The president recommends the admission of New Mexico and Arizona as separate states, and strongly opposes legislation looking to the election of a territorial legislature for Alaska.

Conservation of National Resources.

In several departments there is presented the necessity for legislation looking to the further conservation of our national resources, and the subject is one of such importance as to require a more detailed and extended discussion than can be entered upon in this communication. For that reason I shall take an early opportunity to send a special message to congress on the subject of the improvement of our waterways, upon the reclamation and irrigation of arid, semi-arid, and swamp lands; upon the preservation of our forests and the reforesting of suitable areas; upon the reclassification of the public domain with a view of separating from agricultural settlement mineral, coal, and phosphate lands and sites belonging to the government bordering on streams suitable for the utilization of water power.

The White Slave Trade.

I greatly regret to have to say that the investigations made in the bureau of immigration and other sources of information lead to the view that there is urgent necessity for additional legislation and greater executive activity to suppress the recruiting of the ranks of prostitutes from the streams of immigration into this country—an evil which, for want of a better name, has been called "The White Slave Trade." I believe it to be constitutional to forbid, under penalty, the transportation of persons for purposes of prostitution across national and state lines; and by appropriating a fund of $50,000 to be used by the secretary of commerce and labor for the employment of special inspectors it will be possible to bring those responsible for this trade to indictment and conviction under a federal law.

Bureau of Health.

For a very considerable period a movement has been gathering strength, especially among the members of the medical profession, in favor of a concentration of the instruments of the national government which have to do with the promotion of public health. In the nature of things, the medical department of the army and the medical department of the navy must be kept separate. But there seems to be no reason why all the other bureaus and offices in the general government which have to do with the public health or subjects akin thereto should not be united in a bureau to be called the "bureau of public health." This would necessitate the transfer of the marine-hospital service to such a bureau. I am aware that there is a wide field in respect to the public health committed to the states in which the federal government cannot exercise jurisdiction, but we have seen in the agricultural department the expansion into widest usefulness of a department giving attention to agriculture when that subject is plainly one over which the states properly exercise direct jurisdiction. The opportunities offered for useful research and the spread of useful information in regard to the cultivation of the soil and the breeding of stock and the solution of many of the intricate problems in progressive agriculture have demonstrated the wisdom of establishing that department. Similar reasons, of equal force, can be given for the establishment of a bureau of health that shall not only exercise the police jurisdiction of the federal government respecting quarantine, but which shall also afford an opportunity for investigation and research by competent experts into questions of health affecting the whole country, or important sections thereof, questions which, in the absence of federal governmental work, are not likely to be promptly solved.

Political Contribution.

I urgently recommend to congress that a law be passed requiring that candidates in elections of members of the house of representatives and committees in charge of their candidacy and campaign file in a proper office of the United States government a statement of the contributions received and of the expenditures incurred in the campaign for such elections and that similar legislation be enacted in respect to all other elections which are constitutionally within the control of congress.

Conclusion.

I have thus, in a message compressed as much as the subjects will permit, referred to many of the legislative needs of the country, with the exceptions already noted. Speaking generally, the country is in a high state of prosperity. There is every reason to believe that we are on the eve of a substantial business expansion and we have just garnered a harvest unexampled in the market value of our agricultural products. The high prices which such products bring mean great prosperity for the farming community, but on the other hand they mean a very considerably increased burden upon those classes in the community whose yearly compensation does not expand with the improvement in business and the general prosperity. Various reasons are given for the high prices. The proportionate increase in the output of gold, which to-day is the chief medium of exchange and is in some respects a measure of value, furnishes a substantial explanation of at least part of the increase in prices. The increase in population and the more expensive mode of living of the people, which have not been accompanied by a proportionate increase in acreage production, may furnish a further reason. It is well to note that the increase in the cost of living is not confined to this country, but prevails the world over and that those who would charge increases in prices to the existing protective tariff must meet the fact that the rise in prices has taken place almost wholly in those products of the factory and farm in respect to which there has been either no increase in the tariff or in many instances a very considerable reduction.

WM. H. TAFT.

The White House, December 7, 1909.