

THE PRESIDENT'S MESSAGE.

To the Senate and House of Representatives:

We will continue in a period of unbounded prosperity. This prosperity is not the creature of law, but unfolded by 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 it. There will undoubtedly be periods of depression, but the tide will advance. This nation is seated on a continent flanked by two oceans. It is composed of men the descendants of pioneers, or, in a sense, pioneers themselves; of men winnowed out from among the nations of old world by the energy, boldness, and love of adventure found in their own eager hearts. Such a nation, so placed, will surely wrest success from fortune.

As a people we have played a large part in the world, and we are bent upon making our future even larger than the past. In particular, the events of the last four years have definitely decided that for good or for evil, our place must be great among the nations. We may either fail greatly or succeed greatly; but we can not avoid the endeavor from which either great failure or great success must come. Even if we would, we can not play a small part. If we should try, all that would follow would be that we should play a large part ignominiously 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 with a heart and resolute will. Ours is not the creed of the weakling and the coward; ours is the gospel of hope and of triumphant endeavor. We do not shrink from the struggle before us. There are many problems to be solved, and 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 Lincoln, preserved it.

No country has ever occupied a higher plane of material well-being than ours at the present moment. This well-being is due 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, and 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 what has been done, but by doing what has not been done. Never before has material well-being been so widely diffused among our people. Great fortunes have been accumulated, and yet in the aggregate these fortunes are small when compared to the wealth of the people as a whole. The plain people are better off than they have ever been before. The insurance companies, which are practically mutual benefit societies, are especially helpful to men of moderate means, representing accumulations of capital which are among the largest in this country. There are more deposits in the savings banks, more workers in the farms, more wage-earners in this country now than ever before in our history. Of course, when the conditions have favored the growth of so much that was good, they have also favored somewhat the growth of what was evil. It is eminently necessary that we should endeavor to cut out this evil, but let us not in fixing our gaze upon the lesser evil forget the greater good. The evils are real and some of them are menacing, but they are the outgrowth not of misfortune, but of prosperity. We should not be content with endeavoring to cut out the evil, but let us not in fixing our gaze upon the lesser evil forget the greater good. The evils are real and some of them are menacing, but they are the outgrowth not of misfortune, but of prosperity. We should not be content with endeavoring to cut out the evil, but let us not in fixing our gaze upon the lesser evil forget the greater good.

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Regulation of Trusts

In my message to the present congress at its last session I discussed at length the question of the regulation of those big corporations commonly doing an interstate business, often with some tendency to monopoly, which are popularly known as trusts. The experience of the past year has emphasized, in my opinion, the desirability of the steps I then proposed. A fundamental requisite of social efficiency is a high standard of individual energy and character, but this is in no wise inconsistent with power to act in combination for aims which can not so well be achieved by the individual acting alone. A fundamental base of civilization is the inviolability of property; but this is in no wise inconsistent with the right of society to regulate the exercise of the artificial powers which it confers upon the owners of property, under the name of corporate franchises, in such a way as to prevent the misuse of these powers. Corporations, and especially combinations of corporations, should be managed under public regulation. Experience has shown that under our system of government the necessary regulation can not be obtained by state action. It must therefore be achieved by national action. Our aim is not to do away with corporations; on the contrary, these big aggregations are an inevitable development of modern industrialism, and the effort to destroy them would be futile unless accompanied in ways that would work the utmost mischief to the entire body politic. We can do nothing of good in the way of regulating and supervising these corporations until we fix clearly in our minds that we are not attacking the corporations, but endeavoring to do away with any evil in them. We are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. We draw the line against misconduct, not against wealth. The capitalist who, alone or in conjunction with his fellows, per-

forms some great industrial feat by which he wins money is a welder, not a wrecker, provided only he work in proper and legitimate lines. We wish to favor such a man when he does well. We wish to supervise and control his actions only to prevent him from doing ill. Publicity can do no harm to the honest corporation; and we need not be over-tender about sparing the dishonest corporation.

In curbing and regulating the combinations of capital which are or may become injurious to the public we must be careful not to stop the great enterprises which have legitimately reduced the cost of production, not to abandon the place which our country has won in the leadership of the international industrial world, not to strike down the wealth which has been the result of closing factories and mines, of turning the wage-worker idle in the streets and leaving the farmer without a market for what he grows. Insistence upon the impossible means delay in achieving the possible, exactly as the hand of the stubborn defender alike of what is good and what is bad in the existing system, the resolute effort to obstruct any attempt at betterment, betrays blindness to the historic truth that wise evolution is the sure safeguard against revolution.

No more important subject can come before the congress than this of the regulation of interstate business. This country can not afford to sit supine on the plea that under our peculiar system of government we are helpless in the presence of the new conditions, and unable 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 unquestioned grant, and the limitations thereon are 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 commerce fall within the regulative power of the congress, and that a wise and reasonable law would be a necessary and proper exercise of that power. It is not the duty of the congress to regulate interstate commerce in such a way as to prevent the growth of the business, but to regulate it in such a way as to prevent the evils which it has brought about.

I believe that monopolies, unjust discriminations, which prevent or cripple competition, fraudulent over-capitalization, and other evils in interstate operations, 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 earnestly 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 doubt as to the necessity of constitutional amendment. If it prove impossible to accomplish the purposes above set forth by such a law, then a constitutional amendment should be proposed, and the congress should attempt to do away with these evils. Many of the largest corporations, many of those which should be included in any proper scheme or regulation, would not be affected in the slightest degree by a change in the tariff, save as such change might affect the general prosperity of the country. The only relation of the tariff to big corporations as a whole is that the tariff makes manufactures profitable, and the tariff remedy proposed would be to place simply to make manufactures unprofitable. To remove the tariff as a punitive measure directed against trusts would inevitably result in ruin to the weaker competitors who are struggling against them. Our aim should be not by unjust tariff changes to give foreign products the advantage over domestic products, but by proper regulation to give domestic competition a fair chance; and this can not be reached by any tariff changes which would affect unfavorably all domestic competitors, good and bad alike. The question of regulation of the trusts stands apart from the question of tariff revision.

No Tariff Revision Yet

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 be included in any proper scheme or regulation, would not be affected in the slightest degree by a change in the tariff, save as such change might affect the general prosperity of the country. The only relation of the tariff to big corporations as a whole is that the tariff makes manufactures profitable, and the tariff remedy proposed would be to place simply to make manufactures unprofitable. To remove the tariff as a punitive measure directed against trusts would inevitably result in ruin to the weaker competitors who are struggling against them. Our aim should be not by unjust tariff changes to give foreign products the advantage over domestic products, but by proper regulation to give domestic competition a fair chance; and this can not be reached by any tariff changes which would affect unfavorably all domestic competitors, good and bad alike. The question of regulation of the trusts stands apart from the question of tariff revision.

Stability of economic policy must always be the prime economic need of this country. This stability should not be sacrificed to the desire to achieve the prosperity of the country has acquiesced in the wisdom of the protective tariff principle. It is exceedingly undesirable that this system should be destroyed or that there should be violent and radical changes therein. Our past experience shows that great prosperity in this country has always come under a protective tariff; and that the country can not prosper under fitful tariff changes at short intervals. Moreover, if the tariff laws as a whole work well, and if business has prospered under them and is prospering, it is better to endure for a time slight inconveniences and inequalities in some schedules than to upset business by too quick and too radical changes. It is most earnestly to be wished that we could treat the tariff from the

standpoint solely of our business needs. It is, perhaps, too much to hope that nationhood may be entirely excluded from consideration of the subject, but at least it can be made secondary to the business interests of the country—that is, to the interests of our people as a whole. Unquestionably these business interests will best be served if together with that of principle as regards the tariff we combine a system which will permit us from time to time to make the necessary reapportionment of the principle to the shifting national needs. We must take scrupulous care that the reapportionment shall be made in such a way that it will not amount to a dislocation of our system, the mere threat of which (not to speak of the performance) would produce paralysis in the business energies of the community. The first consideration in making these changes would be to preserve the principle which underlies our whole tariff system—that is, the principle of putting American business interests at least on a full equality with interests abroad, and of always allowing a sufficient rate of duty to cover the cost here and abroad. The well-being of the wage-worker, like the well-being of the tiller of the soil, should be treated as an essential in shaping our whole economic policy. There must never be any change which will deprive the wage-worker of his comfort, the standard of wages of the American wage-worker.

Reciprocity Urged

One way in which the readjustment sought can be reached is by reciprocity treaties. It is greatly to be desired that such treaties be adopted. They can be used to widen our markets and to give a greater field for the activities of our producers on the one hand, and on the other hand to secure in practical shape the lowering of duties when they are no longer needed for protection among our own people, or when the minimum of damage done may be disregarded for the sake of the maximum of good accomplished. If it prove impossible to ratify the pending treaties, and if there seem to be no warrant for the endeavor to execute others, or if amended pending treaties are not adopted, they can be made outright by a lowering of duties on a given product. If possible, such change should be made only after the fullest consideration by practical experts, who should approach the subject from a business standpoint, and not from a protectionist one. Interests affected and the commercial well-being of the people as a whole. The machinery for providing such careful investigation can readily be supplied. The executive department has already at its disposal methods of collecting facts and figures, and if the congress desire additional consideration to that which will be given the subject by its own committees, then a commission of business experts can be appointed whose duty it should be to recommend action by the congress after a deliberate and scientific investigation of the various schedules which are affected by the changed and changing conditions. The unburied and unbiased report of this commission would show what changes should be made in the various schedules, and how far these changes could go without also changing the general nature of this country is now enjoying, or upsetting its fixed economic policy.

The cases in which the tariff can produce a monopoly are so few as to constitute an inconsiderable factor in the question; but of course if in any case it be found that a monopoly of duty does promote a monopoly which works ill, no protectionist would object to such reduction of the duty as would equalize competition. In my judgment, the tariff on anthracite coal should be removed, and that on petroleum should be reduced nominally, on the free list. This would have no effect at all save in crises; but in crises it might be of service to the people.

Improve the Currency
Interest rates are a potent factor in business activity, and in order that these rates may be equalized to meet the varying needs of the seasons and of widely separated communities, and to prevent the recurrence of financial stringencies which injuriously affect legitimate business, it is necessary that there should be an element of elasticity in our monetary system. Banks are the natural servants of commerce, and upon them should be placed as far as practicable, the burden of furnishing and maintaining a circulation adequate to supply the needs of our diversified industries and of our domestic and foreign commerce; and the issue of this should be so regulated that a sufficient supply should be always available for the business interests of the country.

Department of Commerce

It is earnestly hoped that a secretary of commerce may be created, with a seat in the cabinet, and that the application of questions affecting labor and capital, the growth and complexity of the organizations through which both labor and capital now find expression, the steady tendency toward the employment of capital in huge corporations, and the wonderful strides of this country toward leadership in the international business world justify an urgent demand for the creation of such a position. Substantially all the leading commercial bodies in this country have united in requesting its creation. It is desirable that some such measure as that which has already passed the senate be enacted into law. The creation of such a department would in itself be an advance toward dealing with and exercising supervision over the whole subject of the great enterprises 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.

Reciprocity with Cuba

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 what ever affects her for good or for ill affects us also. As much as we have people felt 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 give some of the benefits of becoming part of our economic system. It is, from our own standpoint, a short-sighted and mischievous 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 weak sister republic just entering upon its career of independence. We should always

Regulate Immigration

I again call your attention to the need of passing a proper immigration law, covering the points outlined in

my message to you at the first session of the present congress, substantially such a bill has already passed the house.

Labor and Capital

How to secure fair treatment alike for labor and for capital, how to hold in check the unscrupulous man, whether employer or employee, without weakening individual initiative, without hampering 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 of sanity and far-sighted common sense as well as 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 a constant tendency of these corporations to grow larger, so it is often necessary for laboring men to work in federations, and these have become important factors of modern industrial life. Both kinds of federation, capitalistic and labor, can do much good and as a necessary corollary they can both do evil. Opposition to each kind of organization should take the form of opposition to whatever is bad in the conduct of any given corporation or union—not of attacks upon corporations as such nor upon unions as such; for some of the most far-reaching beneficent work for our people has been accomplished through both corporations and unions. Each must refrain from arbitrary or tyrannical interference with the rights of others. Organized capital and organized labor alike should remember that in the long run the interest of each must be brought into harmony with the interest of the general public; and the conduct of each must conform to the fundamental rules of obedience to the law, of individual freedom, and of justice and fair dealing toward all. Each should remember that in addition to power it must strive after the realization of healthy, lofty and generous ideals. Every employer, every wage-worker, must be guaranteed his liberty and his right to do as he likes with his property or his labor so long as he does not infringe upon the rights of others. It is of the highest importance that employer and employee alike should have the same respect for the views of the other, and the sure disaster that will come upon both in the long run if either grows to take as habitual an attitude of sour hostility and distrust toward the other. Few people deserve better of the country than those representatives both of capital and labor—and there are many such—who work continually to bring about a good understanding of this kind, based upon wisdom and upon a broad and kindly sympathy between employers and employed. Above all, we need to remember that any kind of class animosity in the political world, if possible, even more wicked, even more destructive to national welfare, than sectional, race, or religious animosity. We can get good government only upon condition that we keep before our minds that the interests of this nation was founded, and judge each man not as a part of a class, but upon his individual merits. All that we have a right to ask of any man, rich or poor, whatever his creed, his occupation, his birthplace, is that he should be a good citizen, well and honorably by his neighbor and by his country. We are neither for the rich man as such nor for the poor man as such; we are for the upright man, rich or poor. So far as the constitutional powers of the national government are concerned, the general and vital moment to the nation, they should be exercised in conformity with the principles above set forth.

Treaty with Newfoundland

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.

International Arbitration

As civilization grows, wars become less and less the normal condition of foreign 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, essentially 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 great 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 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 earnestly 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 advantage of the machinery already in existence at The Hague.

Hawaiian Fire Claims

I commend to the favorable consideration of the congress the Hawaiian fire claims, which were the subject of careful investigation during the last session.

Isthmian Canal Situation

The congress has wisely provided that we should build at once an isthmian canal, if possible, and that if not possible, we should build a canal around the Horn of Africa. The attorney-general reports that we can undoubtedly acquire good title from the French Panama canal company. Negotiations are now pending with Colombia to secure her assent to our building the canal. This canal will be one of the great engineering feats of the twentieth century; a greater engineering feat than has yet been accomplished during the history of mankind. The work should be carried out as a continuing policy without regard to change of administration; and it should be begun under circumstances which will make it a matter of pride for all administrations to continue the policy.

Pacific Cable Agreement

During the fall of 1901 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 Hawaii. A statement of conditions or terms upon which such corporation would undertake to lay and operate a cable was volunteered. As much as we have people felt 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 give some of the benefits of becoming part of our economic system. It is, from our own standpoint, a short-sighted and mischievous 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 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 do not shrink 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, 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 ourselves disinterestedly and effectively their friend.

Porto Rico a Model

Of Porto Rico it is only necessary to say that the prosperity of the island and the wisdom with which it has been governed have been such as to make it serve as an example of all that is best in insular administration.

Progress in the Philippines

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 Philippine Islands. Some trouble has since from time to time threatened with the Mohammedan Moslems, but with the late insurrectionary Filipinos 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 islands, but the people have taken as a whole now enjoy a measure of self-government greater than that granted to any other Oriental under their own government, save the Japanese empire. We have not gone too far in granting these rights of liberty and self-government; but we have certainly gone to the limit that in the interests of the Philippine people themselves it was wise or just to go. To hurry matters, to go faster than we are now going, would entail calamity upon the people of the islands. No policy ever entered into by the American people has vindicated itself in more signal manner than the policy of holding the Philippines. The triumph of our arms, and the triumph of our laws and principles, has come sooner than we had any right to expect. Too much praise can not be given to the army for what it has done in the Philippines both in warfare and from an administrative standpoint in preparing the way for civil government, and similarly credit belongs to the civil authorities for the way in which they have planted the seeds of self-government in the ground thus made ready for them. The courage, the unflinching endurance, the high soldierly efficiency and the general kind-heartedness and humanity of our troops have been strikingly manifested. There now remain only some fifteen thousand troops in the islands. All told, over one hundred thousand have been sent there. Of course, there have been individual instances of wrongdoing among them. They are under fearful difficulties of climate and surroundings; and under the strain of the terrible provocations which they continually received from their foes, occasional instances of cruel retaliation occurred. Every effort has been made to prevent such cruelties, and finally these efforts have been completely successful. Every effort has also been made to detect and punish the wrongdoers. After making all allowance for these misdeeds, it remains true that few indeed have been the instances in which war has been waged by a civilized power against uncivilized or barbarous forces where there has been so little wrongdoing by the victors as in the Philippine Islands. On the other hand, the amount of difficulty, important, and beneficent work which has been done is well-nigh incalculable.

Needs of the Navy

For the first time in our history naval maneuvers on a large scale are being held under the immediate command of the admiral of the navy. Constantly increasing attention is being paid to the gunnery of the navy, but it is yet far from what it should be. I earnestly urge that the increase asked for by the secretary of the navy in the appropriation for improving the marksmanship be granted. In battle the only shots that count are the shots that hit. It is necessary to provide ample funds for practice with the great guns in time of peace. These funds must provide not only for the purchase of projectiles, but for allowances for prizes to encourage the gun crews, and especially the gun pointers, and for perfecting an intelligent system under which alone it is possible to get good practice. There should be no halt in the work of building up the navy, providing ever year additional fighting craft. We are a very rich country, vast in extent of territory, and great in population; a country, moreover, which has an army diminutive indeed when compared with that of any other first-class power. We have deliberately made our own certain foreign policy which demands the possession of a first-class navy. The isthmian canal will greatly increase the efficiency of our navy if the navy is of sufficient size; but if we have an inadequate navy, then the building of the canal would be merely giving a hostage to any power of superior strength. The Monroe Doctrine should be treated as the cardinal feature of American foreign policy; but it would be worse than idle to assert it unless we intended to back it up, and it can be backed up only by a thoroughly good navy. A good navy is the surest guaranty of peace. Each individual unit of our navy should be the most efficient of its kind as regards both material and personnel that is to be found in the world. I call your attention to the need of providing for the manning of the ships. Serious trouble threatens us if we can not do better than we are now doing as regards securing the services of a sufficient number of the highest type of sailormen, of sea mechanics. The veteran seamen of our war ships are of as high a type as can be found in any navy which rides the waters of the world; they are unsurpassed in daring, in resolution, in readiness, in thorough knowledge of their profession. They deserve every consideration that can be shown them. But there are not enough of them. It is no more possible to improvise a crew than it is possible to improvise a war ship. To build the finest ship, with

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ing 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 the cables, the soundings, if it should be granted.

To Perfect the Army

The army has been reduced to the minimum allowed by law. It is very small for the size of the nation, and most certainly should be kept at the highest point of efficiency. The senior officers are given scant chance under ordinary conditions to exercise command commensurate with their rank, and under circumstances which would require 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 foe even a small army corps could 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 they must be thoroughly trained, both as individuals and in the mass. The main object of the maneuvers 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 such 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.

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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 Philippine Islands. Some trouble has since from time to time threatened with the Mohammedan Moslems, but with the late insurrectionary Filipinos 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 islands, but the people have taken as a whole now enjoy a measure of self-government greater than that granted to any other Oriental under their own government, save the Japanese empire. We have not gone too far in granting these rights of liberty and self-government; but we have certainly gone to the limit that in the interests of the Philippine people themselves it was wise or just to go. To hurry matters, to go faster than we are now going, would entail calamity upon the people of the islands. No policy ever entered into by the American people has vindicated itself in more signal manner than the policy of holding the Philippines. The triumph of our arms, and the triumph of our laws and principles, has come sooner than we had any right to expect. Too much praise can not be given to the army for what it has done in the Philippines both in warfare and from an administrative standpoint in preparing the way for civil government, and similarly credit belongs to the civil authorities for the way in which they have planted the seeds of self-government in the ground thus made ready for them. The courage, the unflinching endurance, the high soldierly efficiency and the general kind-heartedness and humanity of our troops have been strikingly manifested. There now remain only some fifteen thousand troops in the islands. All told, over one hundred thousand have been sent there. Of course, there have been individual instances of wrongdoing among them. They are under fearful difficulties of climate and surroundings; and under the strain of the terrible provocations which they continually received from their foes, occasional instances of cruel retaliation occurred. Every effort has been made to prevent such cruelties, and finally these efforts have been completely successful. Every effort has also been made to detect and punish the wrongdoers. After making all allowance for these misdeeds, it remains true that few indeed have been the instances in which war has been waged by a civilized power against uncivilized or barbarous forces where there has been so little wrongdoing by the victors as in the Philippine Islands. On the other hand, the amount of difficulty, important, and beneficent work which has been done is well-nigh incalculable.

Needs of the Navy

For the first time in our history naval maneuvers on a large scale are being held under the immediate command of the admiral of the navy. Constantly increasing attention is being paid to the gunnery of the navy, but it is yet far from what it should be. I earnestly urge that the increase asked for by the secretary of the navy in the appropriation for improving the marksmanship be granted. In battle the only shots that count are the shots that hit. It is necessary to provide ample funds for practice with the great guns in time of peace. These funds must provide not only for the purchase of projectiles, but for allowances for prizes to encourage the gun crews, and especially the gun pointers, and for perfecting an intelligent system under which alone it is possible to get good practice. There should be no halt in the work of building up the navy, providing ever year additional fighting craft. We are a very rich country, vast in extent of territory, and great in population; a country, moreover, which has an army diminutive indeed when compared with that of any other first-class power. We have deliberately made our own certain foreign policy which demands the possession of a first-class navy. The isthmian canal will greatly increase the efficiency of our navy if the navy is of sufficient size; but if we have an inadequate navy, then the building of the canal would be merely giving a hostage to any power of superior strength. The Monroe Doctrine should be treated as the cardinal feature of American foreign policy; but it would be worse than idle to assert it unless we intended to back it up, and it can be backed up only by a thoroughly good navy. A good navy is the surest guaranty of peace. Each individual unit of our navy should be the most efficient of its kind as regards both material and personnel that is to be found in the world. I call your attention to the need of providing for the manning of the ships. Serious trouble threatens us if we can not do better than we are now doing as regards securing the services of a sufficient number of the highest type of sailormen, of sea mechanics. The veteran seamen of our war ships are of as high a type as can be found in any navy which rides the waters of the world; they are unsurpassed in daring, in resolution, in readiness, in thorough knowledge of their profession. They deserve every consideration that can be shown them. But there are not enough of them. It is no more possible to improvise a crew than it is possible to improvise a war ship. To build the finest ship, with