

PRESIDENT'S MESSAGE

President Roosevelt in his annual message again urges the enactment of a law prohibiting corporations from contributing to campaign funds. He also urges the passage of the measure conferring upon the government the right of appeal in criminal cases on questions of law. Continuing, the president says:

I cannot too strongly urge the passage of the bill in question. A failure to pass it will result in seriously hampering the government in its efforts to obtain justice, especially against wealthy individuals or corporations who do wrong, and may also prevent the government from obtaining justice for wage-workers who are not themselves able effectively to contest a case where the judgment of an inferior court has been against them. I have specifically in view a recent decision by a district judge leaving railway employees without remedy for violation of a certain so-called labor statute. The importance of enacting into law the particular bill in question is further increased by the fact that the government has now definitely begun a policy of resorting to the criminal law in those trust and interstate commerce cases where such a course offers a reasonable chance of success.

Proper Use of Injunctions.
In my last message I suggested the enactment of a law in connection with the issuance of injunctions, attention having been sharply drawn to the matter by the demand that the right of applying injunctions in labor cases should be wholly abolished. It is at least doubtful whether a law abolishing altogether the use of injunctions in such cases would stand the test of the courts, in which case, of course, the legislation would be ineffective. Moreover, I believe it would be wrong altogether to prohibit the use of injunctions. It is criminal to permit sympathy for criminals to weaken our hands in upholding the law, and if men seek to destroy life or property by mob violence there should be no impairment of the power of the courts to deal with them in the most summary and effective way possible. But so far as possible the abuse of the power should be provided against by some such law as I advocated last year.

Against Lynching.
I call your attention and the attention of the nation to the prevalence of crime among us and, above all, to the epidemic of lynching and mob violence that springs up now in one part of our country, now in another. Each section, north, south, east or west, has its own faults. No section can with wisdom spend its time jeering at the faults of another section. It should be busy trying to amend its own shortcomings. To deal with the crime of corruption it is necessary to have an awakened public conscience and to supplement this by whatever legislation will add speed and certainty in the execution of the law. When we deal with lynching even more is necessary. A great many white men are lynched, but the crime is peculiarly frequent in respect to black men. The greatest existing cause of lynching is the perpetration, especially by black men, of the heinous crime of rape, the most abominable in all the category of crimes, even worse than murder. Lawlessness grows by what it feeds upon, and when mobs begin to lynch for rape they speedily extend the sphere of their operations and lynch for many other kinds of crimes, so that two-thirds of the lynchings are not for rape at all, while a considerable proportion of the individuals lynched are innocent of all crime.

There is but one safe rule in dealing with black men as with white men. It is the same rule that must be applied in dealing with rich men and poor men—that is, to treat each man, whatever his color, his creed or his social position, with even handed justice on his real worth as a man. White people owe it quite as much to themselves as to the colored race to treat with the colored man who shows by his life that he deserves such treatment. There is no question of social equality or negro domination involved. In my judgment, the crime of rape should always be punished with death, as is the case with murder. Assault with intent to commit rape should be made a capital crime, at least in the discretion of the court, and provision should be made by which the punishment may follow immediately upon the heels of the offense.

No more shortsighted policy can be imagined than in the fancied interest of one class to prevent the education of another class. The white man, if he is wise, will decline to allow the negroes in a mass to grow to manhood and womanhood without education.

"Preachers of Mere Discontent."
In dealing with both labor and capital, with the questions affecting both corporations and trades unions, there is one matter more important to remember than ought else, and that is the infinite harm done by preachers of mere discontent. These are the men who seek to excite a violent class hatred against all men of wealth. They seek to turn wise and proper movements for the better control of corporations and for doing away with the abuses connected with wealth into a campaign of hysterical excitement and falsehood in which the aim is to inflame to madness the brutal passions of mankind. The sinister demagogues and foolish visionaries who are always eager to undertake such a campaign of destruction sometimes seek to associate themselves with those working for a genuine reform in governmental and social methods and sometimes misrepresent themselves as such reformers. In reality

they are the worst enemies of the cause they profess to advocate, just as the purveyors of sensational slanders in newspaper or magazine are the worst enemies of all men who are engaged in an honest effort to better what is bad in our social and governmental conditions.

Corruption is never so rife as in communities where the demagogue and the agitator bear full sway, because in such communities all moral bands become loosened, and hysteria and sensationalism replace the spirit of sound judgment and fair dealing as between man and man. In sheer revolt against the squalid anarchy thus produced men are sure in the end to turn toward any leader who can restore order, and then their relief at being free from the intolerable burdens of class hatred, violence and demagoguery is such that they cannot for some time be aroused to indignation against misdeeds by men of wealth, so that they permit a new growth of the very abuses which were in part responsible for the original outbreak. The one hope for success for our people lies in a resolute and fearless but sane and cool headed advance along the path marked out last year by this very congress. There must be a stern refusal to be misled into following either that base creature who appeals and panders to the lowest instincts and passions in order to arouse one set of Americans against their fellows or that other creature, equally base, but no baser, who in a spirit of greed or to accumulate or add to an already huge fortune seeks to exploit his fellow Americans with callous disregard to their welfare of soul and body. The man who debauches others in order to obtain a high office stands on an evil equality of corruption with the man who debauches others for financial profit, and when hatred is sown the crop which springs up can only be evil.

The plain people who think—the mechanics, farmers, merchants, workers with head or hand, the men to whom American traditions are dear, who love their country and try to act decently by their neighbors—owe it to themselves to remember that the most damaging blow that can be given popular government is to elect an unworthy and sinister agitator on a platform of violence and hypocrisy.

Railroad Employees' Hours.
I call your attention to the need of passing the bill limiting the number of hours of employment of railroad employees. The measure is a very moderate one, and I can conceive of no serious objection to it. Indeed, so far as it is in our power, it should be our aim steadily to reduce the number of hours of labor, with as a goal the general introduction of an eight hour day. There are industries in which it is not possible that the hours of labor should be reduced, just as there are communities not far enough advanced for such a movement to be for their good, or, if in the tropics, so situated that there is no analogy between their needs and ours in this matter. On the isthmus of Panama, for instance, the conditions are in every way so different from what they are here that an eight hour day would be absurd, just as it is absurd, so far as the isthmus is concerned, where white labor cannot be employed, to bother as to whether the necessary work is done by alien black men or by alien yellow men. But the wage-workers of the United States are of so high a grade that alike from the merely industrial standpoint and from the civic standpoint it should be our object to do what we can in the direction of securing the general observance of an eight hour day.

Let me again urge that the congress provide for a thorough investigation of the conditions of child labor and of the labor of women in the United States. The horrors incident to the employment of young children in factories or at work anywhere are a blot on our civilization.

In spite of all precautions exercised by employers there are unavoidable accidents and even deaths involved in nearly every line of business connected with the mechanic arts. It is a great social injustice to compel the employee, or, rather, the family of the killed or disabled victim, to bear the entire burden of such an inevitable sacrifice. In other words, society shirks its duty by laying the whole cost on the victim, whereas the injury comes from what may be called the legitimate risks of the trade. Compensation for accidents or deaths due in any line of industry to the actual conditions under which that industry is carried on should be paid by that portion of the community for the benefit of which the industry is carried on—that is, by those who profit by the industry. If the entire trade risk is placed upon the employer, he will promptly and properly add it to the legitimate cost of production and assess it proportionately upon the consumers of his commodity.

It is therefore clear to my mind that the law should place this entire "risk of a trade" upon the employer.

Capital and Labor Disputes.
Records show that during the twenty years from Jan. 1, 1881, to Dec. 31, 1900, there were strikes affecting 117,509 establishments, and 6,105,694 employees were thrown out of employment. During the same period there were 1,005 lockouts, involving nearly 10,000 establishments, throwing over 1,000,000 people out of employment. These strikes and lockouts involved an estimated loss to employees of \$307,000,000 and to employers of \$143,000,000, a total of \$450,000,000. The public suffered directly and indirectly probably as great additional loss.

Many of these strikes and lockouts would not have occurred had the parties to the dispute been required to appear before an unprejudiced body representing the nation and, face to face, state the reasons for their con-

testion. The exercise of a judicial spirit by a disinterested body representing the federal government, such as would be provided by a commission on conciliation and arbitration, would tend to create an atmosphere of friendliness and conciliation between contending parties.

Control of Corporations.
It cannot too often be repeated that experience has conclusively shown the impossibility of securing by the actions of nearly half a hundred different state legislatures anything but ineffective chaos in the way of dealing with the great corporations which do not operate exclusively within the limits of any one state. In some method, whether by a national license law or in other fashion, we must exercise, and that at an early date, a far more complete control than at present over these great corporations—a control that will, among other things, prevent the evils of excessive overcapitalization and that will compel the disclosure by each big corporation of its stockholders and of its properties and business, whether owned directly or through subsidiary or affiliated corporations. This will tend to put a stop to the securing of inordinate profits by favored individuals at the expense whether of the general public, the stockholders or the wage-workers. Our effort should be not so much to prevent consolidation as such, but so to supervise and control it as to see that it results in no harm to the people.

Combination of capital, like combination of labor, is a necessary element of our present industrial system. It is not possible completely to prevent it, and if it were possible such complete prevention would do damage to the body politic. What we need is not vainly to try to prevent all combination, but to secure such rigorous and adequate control and supervision of the combinations as to prevent their injuring the public or existing in such form as inevitably to threaten injury, for the mere fact that a combination has secured practically complete control of a necessary life would under any circumstances show that such combination was to be presumed to be adverse to the public interest. It is unfortunate that our present laws should forbid all combinations instead of sharply discriminating between those combinations which do good and those combinations which do evil. Rebates, for instance, are as often due to the pressure of big shippers, (as was shown in the investigation of the Standard Oil company and as has been shown since by the investigation of the tobacco and sugar trusts) as to the initiative of big railroads. Often railroads would like to combine for the purpose of preventing a big shipper from maintaining improper advantages at the expense of small shippers and of the general public. Such a combination, instead of being forbidden by law, should be favored. In other words, it should be permitted to railroads to make agreements, provided these agreements were sanctioned by the interstate commerce commission and were published. With these two conditions complied with it is impossible to see what harm such a combination could do to the public at large.

Inheritance and Income Tax.
The national government has long derived its chief revenue from a tariff on imports and from an internal or excise tax. In addition to these, there is every reason why, when next our system of taxation is revised, the national government should impose a graduated inheritance tax and, if possible, a graduated income tax. I am well aware that such a subject needs long and careful study in order that the people may become familiar with what is proposed to be done, may clearly see the necessity of proceeding with wisdom and self-restraint and may make up their minds just how far they are willing to go in the matter, while only trained legislators can work out the project in necessary detail. But I feel that in the near future our national legislators should enact a law providing for a graduated inheritance tax by which a steadily increasing rate of duty should be put upon all moneys or other valuables coming by gift, bequest or devise to any individual or corporation. There can be no question of the ethical propriety of the government thus determining the conditions upon which any gift or inheritance should be received.

As the law now stands it is undoubtedly difficult to devise a national income tax which shall be constitutional. But whether it is absolutely impossible is another question, and if possible it is most certainly desirable. The first purely income tax law was passed by the congress in 1861, but the most important law dealing with the subject was that of 1894. This the court held to be unconstitutional.

The question is undoubtedly very intricate, delicate and troublesome. The decision of the court was only reached by one majority. It is the law of the land and of course is accepted as such and loyally obeyed by all good citizens. Nevertheless the hesitation evidently felt by the court as a whole in coming to a conclusion, when considered together with previous decisions on the subject, may perhaps indicate the possibility of devising a constitutional income tax law which shall substantially accomplish the results aimed at. The difficulty of amending the constitution is so great that only real necessity can justify a resort thereto. Every effort should be made in dealing with this subject, as with the subject of the proper control by the national government over the use of corporate wealth in interstate business, to devise legislation which without such action shall attain the desired end, but if this falls there will ultimately be no alternative to a constitutional amendment.

Industrial Training.
Our industrial development depends largely upon technical education, in-

cluding in this term all industrial education, from that which fits a man to be a good mechanic, a good carpenter or blacksmith to that which fits a man to do the greatest engineering feat. The skilled mechanic, the skilled workman, can best become such by technical industrial education. The far reaching usefulness of institutes of technology and schools of mines or of engineering is now universally acknowledged, and no less far reaching is the effect of a good building or mechanical trades school, a textile or watchmaking or engraving school.

In every possible way we should help the wageworker who toils with his hands and who must (we hope in a constantly increasing measure) also toil with his brain. Under the constitution the national legislature can do but little of direct importance for his welfare save where he is engaged in work which permits it to act under the interstate commerce clause of the constitution, and this is one reason why I so earnestly hope that both the legislative and judicial branches of the government will construe this clause of the constitution in the broadest possible manner.

The Farmer.
The only other persons whose welfare is as vital to the welfare of the whole country as is the welfare of the wageworkers are the tillers of the soil, the farmers.

Several factors must co-operate in the improvement of the farmer's condition. He must have the chance to be educated in the widest possible sense, in the sense which keeps ever in view the intimate relationship between the theory of education and the facts of life.

Organization has become necessary in the business world, and it has accomplished much for good in the world of labor. It is no less necessary for farmers. Such a movement as the grange movement is good in itself and is capable of a well nigh infinite further extension for good so long as it is kept to its own legitimate business. The benefits to be derived by the association of farmers for mutual advantage are partly economic and partly sociological.

Irrigation and Forest Preservation.
Much is now being done for the states of the Rocky mountains and great plains through the development of the national policy of irrigation and forest preservation. No government policy for the betterment of our internal conditions has been more fruitful of good than this.

Divorce Legislation.
I am well aware of how difficult it is to pass a constitutional amendment. Nevertheless, in my judgment, the whole question of marriage and divorce should be relegated to the authority of the national congress. The change would be good from every standpoint. In particular it would be good because it would confer on the congress the power at once to deal radically and efficiently with polygamy, and this should be done whether or not marriage and divorce are dealt with. It is neither safe nor proper to leave the question of polygamy to be dealt with by the several states.

Merchant Marine.
Let me once again call the attention of the congress to two subjects concerning which I have frequently before communicated with them. One is the question of developing American shipping. I trust that a law embodying in substance the views or a major part of the views expressed in the report on this subject laid before the house at its last session will be passed. It seems to me that the proposed measure is as nearly unobjectionable as any can be.

The Currency.
I especially call your attention to the second subject, the condition of our currency laws. The national bank act has ably served a great purpose in aiding the enormous business development of the country, and within ten years there has been an increase in circulation per capita from \$21.41 to \$33.08. For several years evidence has been accumulating that additional legislation is needed. The recurrence of each crop season emphasizes the defects of the present laws. There must soon be a revision of them, because to leave them as they are means to incur liability of business disaster. Since your body adjourned there has been a fluctuation in the interest on call money from 2 per cent to 30 per cent, and the fluctuation was even greater during the preceding six months. The secretary of the treasury had to step in and by wise action put a stop to the most violent period of oscillation.

I do not press any special plan. Various plans have recently been proposed by expert committees of bankers. Among the plans which are possibly feasible and which certainly should receive your consideration is that repeatedly brought to your attention by the present secretary of the treasury, the essential features of which have been approved by many prominent bankers and business men. According to this plan, national banks should be permitted to issue a specified proportion of their capital in notes of a given kind, the issue to be taxed at a high rate as to drive the notes back when not wanted in legitimate trade. This plan would not permit the issue of currency to give banks additional profits, but to meet the emergency presented by times of stringency.

I do not say that this is the right system. I only advance it to emphasize my belief that there is need for the adoption of some system which shall be automatic and open to all sound banks so as to avoid all possibility of discrimination and favoritism.

The law should be amended so as specifically to provide that the funds derived from customs duties may be treated by the secretary of the treas-

ury as he treats funds obtained under the internal revenue laws. There should be a considerable increase in bills of small denominations. Permission should be given banks, if necessary under settled restrictions, to retire their circulation to a larger amount than three millions a month.

Our Outlying Possessions.
I most earnestly hope that the bill to provide a lower tariff for or else absolute free trade in Philippine products will become a law. No harm will come to any American industry, and, while there will be some small but real material benefit to the Filipinos, the main benefit will come by the showing made as to our purpose to do all in our power for their welfare.

Porto Rican Affairs.
American citizenship should be conferred on the citizens of Porto Rico. The harbor of San Juan, in Porto Rico, should be dredged and improved. The expenses of the federal court of Porto Rico should be met from the federal treasury.

Hawaii.
The needs of Hawaii are peculiar. Every aid should be given the islands, and our efforts should be unceasing to develop them along the lines of a community of small freeholders, not of great planters with coolly tilled estates.

Alaska.
Alaska's needs have been partially met, but there must be a complete reorganization of the governmental system, as I have before indicated to you. I ask your especial attention to this. Our fellow citizens who dwell on the shores of Puget sound with characteristic energy are arranging to hold in Seattle the Alaska-Yukon-Pacific exposition. This exhibition in its purposes and scope should appeal not only to the people of the Pacific slope, but to the people of the United States at large.

Rights of Aliens.
Not only must we treat all nations fairly, but we must treat with justice and good will all immigrants who come here under the law. Whether they are Catholic or Protestant, Jew or gentile, whether they come from England or Germany, Russia, Japan or Italy, matters nothing. All we have a right to question is the man's conduct. If he is honest and upright in his dealings with his neighbor and with the state, then he is entitled to respect and good treatment. Especially do we need to remember our duty to the stranger within our gates. It is the sure mark of a low civilization, a low morality, to abuse or discriminate against or in any way humiliate such stranger who has come here lawfully and who is conducting himself properly. To remember this is incumbent on every American citizen, and it is of course peculiarly incumbent on every government official, whether of the nation or of the several states.

I am prompted to say this by the attitude of hostility here and there assumed toward the Japanese in this country. This hostility is sporadic and is limited to a very few places. Nevertheless it is most discreditable to us as a people, and it may be fraught with the gravest consequences to the nation.

I ask fair treatment for the Japanese as I would ask fair treatment for Germans or Englishmen, Frenchmen, Russians or Italians. I ask it as due to humanity and civilization. I ask it as due to ourselves, because we must act uprightly toward all men. I recommend to the congress that an act be passed specifically providing for the naturalization of Japanese who come here intending to become American citizens. One of the great embarrassments attending the performance of our international obligations is the fact that the statutes of the United States are entirely inadequate. They fail to give to the national government sufficiently ample power, through United States courts and by the use of the army and navy, to protect aliens in the rights secured to them under solemn treaties which are the law of the land.

I therefore earnestly recommend that the criminal and civil statutes of the United States be so amended and added to as to enable the president, acting for the United States government, which is responsible in our international relations, to enforce the rights of aliens under treaties.

The Cuban Matter.
Last August an insurrection broke out in Cuba which it speedily grew evident that the existing Cuban government was powerless to quell. Thanks to the preparedness of our navy, I was able immediately to send enough ships to Cuba to prevent the situation from becoming hopeless, and I furthermore dispatched to Cuba the secretary of war and the assistant secretary of state in order that they might grapple with the situation on the ground.

In accordance with the so-called Platt amendment, which was embodied in the constitution of Cuba, I thereupon proclaimed a provisional government for the island, the secretary of war acting as provisional governor until he could be replaced by Mr. Magoon, the late minister to Panama and governor of the canal zone on the isthmus. Troops were sent to support them and to relieve the navy, the expedition being handled with most satisfactory speed and efficiency. Peace has come in the island, and the harvesting of the sugar cane crop, the great crop of the island, is about to proceed. When the election has been held and the new government inaugurated in peaceful and orderly fashion the provisional government will come to an end.

The United States wishes nothing of Cuba except that it shall prosper morally and materially and wishes nothing of the Cubans save that they shall be able to preserve order among themselves and therefore to preserve their independence. If the elections become a farce and if the insurrectionary habit becomes confirmed on the island it is absolutely out of the question that the island should continue independent, and the United States, which has assumed the sponsorship before the civilized world for Cuba's career as a nation, would again have to intervene and to see that the government was managed in such orderly fashion as to secure the safety of life and property.

The Rio Conference.
The second international conference of American republics, held in Mexico in the years 1901-02, provided for the holding of the third conference within five years and committed the fixing of the time and place and the arrangements for the conference to the governing board of the bureau of American republics, composed of the representatives of all the American nations in Washington. That board discharged the duty imposed upon it with marked fidelity and painstaking care, and upon the courteous invitation of the United States of Brazil the conference was held at Rio de Janeiro, continuing from the 23d of July to the 29th of August last. Many subjects of common interest to all the American nations were discussed by the conference, and the conclusions reached, embodied in a series of resolutions and proposed conventions, will be laid before you upon the coming of the final report of the American delegates.

Panama Trip.
I have just returned from a trip to Panama and shall report to you at length later on the whole subject of the Panama canal.

The Algeiras Convention.
The Algeiras convention, which was signed by the United States as well as by most of the powers of Europe, supersedes the previous convention of 1880, which was also signed both by the United States and a majority of the European powers. This treaty confers upon us equal commercial rights with all European countries and does not entail a single obligation of any kind upon us, and I earnestly hope it may be speedily ratified.

Sealing.
The destruction of the Pribilof island fur seals by pelagic sealing still continues. The herd, which, according to the survey made in 1874 by direction of the congress, numbered 4,700,000, and which, according to the survey of both American and Canadian commissioners in 1891, amounted to 1,000,000, has now been reduced to about 180,000. This result has been brought about by Canadian and some other sealing vessels killing the female seals while in the water during their annual pilgrimage to and from the south or in search of food.

The process of destruction has been accelerated during recent years by the appearance of a number of Japanese vessels engaged in pelagic sealing. Suitable representations regarding the incident have been made to the government of Japan, and we are assured that all practicable measures will be taken by that country to prevent any recurrence of the outrage.

We have not relaxed our efforts to secure an agreement with Great Britain for adequate protection of the seal herd, and negotiations with Japan for the same purpose are in progress.

The laws for the protection of the seals within the jurisdiction of the United States need revision and amendment.

Second Hague Conference.
In my last message I advised you that the emperor of Russia had taken the initiative in bringing about a second peace conference at The Hague. Under the guidance of Russia the arrangement of the preliminaries for such a conference has been progressing during the past year. Progress has necessarily been slow, owing to the great number of countries to be consulted upon every question that has arisen. It is a matter of satisfaction that all of the American republics have now, for the first time, been invited to join in the proposed conference.

Army and Navy.
It must ever be kept in mind that war is not merely justifiable, but imperative upon honorable men, upon an honorable nation, where peace can only be obtained by the sacrifice of conscientious conviction or of national welfare. The United States navy is the surest guarantor of peace which this country possesses. I do not ask that we continue to increase our navy; I ask merely that it be maintained at its present strength, and this can be done only if we replace the obsolete and outworn ships by new and good ones, the equals of any afloat in any navy. To stop building ships for one year means that for that year the navy goes back instead of forward.

In both the army and the navy there is urgent need that everything possible should be done to maintain the highest standard for the personnel alike as regards the officers and the enlisted men. I do not believe that in any service there is a finer body of enlisted men and of junior officers than we have in both the army and the navy, including the marine corps.

West Point and Annapolis already turn out excellent officers. We do not need to have these schools made more scholastic. On the contrary, we should never lose sight of the fact that the aim of each school is to turn out a man who shall be above everything else a fighting man.

There should soon be an increase in the number of men for our coast defenses. These men should be of the right type and properly trained, and there should therefore be an increase of pay for certain skilled grades, especially in the coast artillery. Money should be appropriated to permit troops to be massed in body and exercised in maneuvers, particularly in marching.