

PRESIDENT THEODORE ROOSEVELT'S MESSAGE

Delivered to the Fifty-Seventh Congress of the United States at the Beginning of Its Final Session.

To the Senate and House of Representatives:

We still continue in a period of unbounded prosperity. This prosperity is not the creature of law, but undoubtedly the laws under which we work have been instrumental in creating the conditions which made it possible, and by unwise legislation it would be easy enough to destroy it.

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 woe or for weal, our place must be great among the nations.

But our people, the sons of the men of the civil war, the sons of the men who had iron in their blood, rejoice in the present and face the future high of heart and resolute of will. Ours is not the creed of the weakling and the coward; ours is the gospel of hope and of triumphant endeavor.

TRUSTS AND TARIFF

Combinations of Capital Should Be Regulated by Law

In my message to the present congress at its first 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.

Corporations, and especially combinations of corporations, should be managed under public regulation. Experience has shown that under our system of government the necessary supervision can not be obtained by state action. It must therefore be achieved by national action.

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.

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; above all, to the high individual average of our citizenship.

No more important subject can come before the congress than this of the regulation of interstate business. This country can not afford to sit still 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 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.

I believe that monopolies, unjust discriminations, which prevent or cripple competition, fraudulent overcapitalization, and other evils in trust organizations and practices which injuriously affect interstate trade can be prevented under the power of 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 doubts as to the necessity of constitutional amendment. If it prove impossible to accomplish the purposes above set forth by such a law, then, assuredly, we should not shrink from amending the constitution so as to secure beyond peradventure the power sought.

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

Removal of Tariff. 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.

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 in effect 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.

Stability of economic policy must always be the prime economic need of this country. This stability should not be fossilization. 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.

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.

OUR MONETARY SYSTEM

Element of Elasticity Is Needed in Our Currency.

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It would be both unwise and unnecessary at this time to attempt to reconstruct our financial system,

LABOR AND CAPITAL

Fair Treatment Should Be Secured for Each Alike.

How to secure fair treatment alike for labor and for capital, how to hold in check the unscrupulous man, whether employer or employe, 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 of devotion to the right.

This is an era of federation and combination. Exactly as business men find they must often work through corporations, and as it is 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.

There must never be any change which will jeopardize the standard of comfort, the standard of wages of the American wage-worker.

Reciprocity Treaties.

One way in which the readjustment sought can be reached is by reciprocity treaties. It is greatly to be desired that such treaties may 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.

Wherever the tariff conditions are such that a needed change can not with advantage be made by the application of the reciprocity idea, then it 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, having in view both the particular interests affected and the commercial well-being of the people as a whole.

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 given rate 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 should be removed and anthracite put actually, where it now is 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.

religious animosity. We can get good government only upon condition that we keep true to the principles upon which this nation was founded, and judge each man not as a part of a class but upon his individual merits.

SECRETARY OF COMMERCE

It is earnestly hoped that a secretary of commerce may be created, with a seat in the cabinet. The rapid multiplication 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.

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 touch these matters of general and vital moment to the nation, they should be exercised in conformity with the principles above set forth.

TREATY WITH CUBA

Island Is Part of Our International Political System.

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

Cuba lies at our doors, and whatever affects her for good or for ill affects us also. So much have our people felt this that in the Platt amendment we definitely took the ground that Cuba must hereafter have close political relations with us than with any other power.

It is necessary that in return she should be given some of the benefits of becoming part of our economic system. It is, from our own standpoint, a shortsighted and 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 we should with ungrudging hand do our generous duty by the weak. I urge the adoption of reciprocity with Cuba not only because it is eminently for our own interests to control the Cuban market and by every means to foster our supremacy in the tropical lands and waters south of us, but also because we, of the great 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.

The Fisheries Treaty.

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.

ARBITRATION RECOMMENDED

As civilization grows warfare becomes 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.

Wherever possible, arbitration or some similar method should be employed in lieu of war to settle difficulties between civilized nations, although as yet the world has not progressed sufficiently to render it possible, or necessarily desirable, to invoke arbitration in every case. The formation of the international tribunal which sits at The Hague is an event of good omen from which great consequences for the welfare of all mankind may flow. It is far better, where possible, to invoke such a permanent

tribunal than to create special arbitrators for a given purpose.

It is a matter of sincere congratulation to our country that the United States and Mexico should have been the first to use the good offices of The Hague court. This was done last summer with most satisfactory results in the case of a claim at issue between us and our sister republic. It is 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

Negotiations Are Now Pending With Colombia for Assent.

The congress has wisely provided that we shall build at once an isthmian canal, if possible at Panama. 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 greatest engineering feats of the twentieth century; a greater engineering feat than has yet been accomplished during the history of mankind.

The canal will be of great benefit to America, and of importance to all the world. It will be of advantage to us industrially and also as improving our military position. It will be of advantage to the countries of tropical America. It is earnestly to be hoped that all of these countries will do as some of them have already done with signal success, and will invite to their shores commerce and improve their material conditions by recognizing that stability and order are the prerequisites of successful development.

No independent nation in America need have the slightest fear of aggression from the United States. It behooves each one to maintain order within its own borders and to discharge its just obligations to foreigners. When this is done, they can rest assured that, be they strong or weak, they have nothing to dread from outside interference. More and more the increasing interdependence and complexity of international political and economic relations render it incumbent on all civilized and orderly powers to insist on the proper policing of the world.

THE PACIFIC CABLE

Work of the Commercial Pacific Cable Company Begins.

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.

Inasmuch as the congress was shortly to convene, and Pacific cable legislation had been the subject of consideration by the congress for several years, it seemed to me wise to defer

action upon the application until the congress had first an opportunity to act. The congress adjourned without taking any action, leaving the matter in exactly the same condition in which it stood when the congress convened.

Meanwhile it appears that the Commercial Pacific Cable company had promptly proceeded with preparations for laying its cable. It also made application to the president for access to and use of soundings taken by the U. S. S. Nero, for the purpose of discovering a practicable route for a trans-Pacific cable, the company urg-